

The NATIONAL UNDERWRITER

Life Insurance Edition

107th

ANNUAL REPORT to our POLICYHOLDERS

Highlights

of an Outstanding Year

(All figures as of December 31, 1950)

TOTAL INSURANCE IN FORCE . . . \$2,922,000,000
Increase of \$172 millions, or 6%.

NEW LIFE INSURANCE ISSUED . . . 296,800,000
13% more than in 1949.

INCOME FOR THE YEAR . . . \$148,900,000
Includes premium receipts of \$109 millions, investment earnings of \$39 millions, but excludes \$24 millions left with Company.

PAYMENTS TO POLICYHOLDERS . . . 61,000,000
and beneficiaries, exclusive of 1950 dividends, of more than \$14 millions.

SET ASIDE FOR 1951 DIVIDENDS . . . 16,000,000
This is \$1,600,000 more than last year and the largest distribution in company history.

ASSETS . . . \$1,170,000,000
Increase of \$87 millions, or 8%

LIABILITIES . . . 1,090,000,000

TOTAL SURPLUS FUNDS . . . 80,000,000
Includes voluntary investment fluctuation fund of \$19 millions.

COPY OF COMPLETE REPORT AVAILABLE ON REQUEST

Securities carried at \$275,000 in the above financial statement are deposited with states as required by law.

Notes from the Record

"One of the management's major objectives since the middle 1930's has been to build up surplus and contingency reserves to provide ample leeway to ride through unforeseen storms. Total surplus funds now represent 6.8% of assets compared with 4.3% ten years ago."

— NEM —

"Net gain from insurance operations and investments amounted to \$25,000,000, \$2 millions more than in 1949. This improvement is the result of the Company's consistent growth, its favorable mortality experience, the better investment results currently being obtained, and more efficient operating procedures."

— NEM —

"Our over-all net rate of investment return has stood up against the general trend of interest rates, for our net return of 3.3% in 1950 was slightly higher than it was 10 years ago."

— NEM —

"We have reanalyzed our portfolio from the standpoint of its diversification, both geographically and by types of industry. We have investments in every state in the Union, in Canada and Hawaii. We believe our portfolio is well-balanced and strong and that its very wide diversification makes it truly representative of the resources of America."

— NEM —

"Life insurance is still the best way to *personal* preparedness. While it will be many months before the *nation's* security program is in full swing, *you can buy immediate protection for your family through life insurance*, with your first premium deposit!"



The NEW ENGLAND MUTUAL

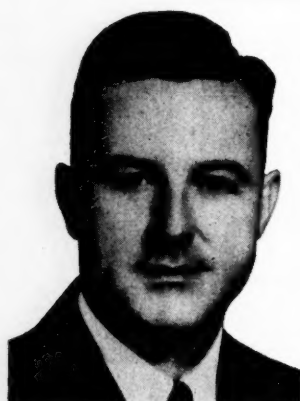
Life Insurance Company of Boston

FIRST MUTUAL LIFE INSURANCE COMPANY CHARTERED IN AMERICA—1835

FRIDAY, MARCH 23, 1951

"I CAN'T HELP BUT BE PROUD OF..

and Proud to be Associated with, the



H. J. Durand

President, Dynamo Club 1950-51

PAN-AMERICAN LIFE INSURANCE COMPANY

It Provides Its Representatives

★ THE FINEST MERCHANDISE

The Modified Three--The Six Star Special Juvenile Policy
The Special Ordinary Life Preferred Risk Policy

★ A CAREER CONTRACT FOR CAREER MEN

★ UNEXCELLED HOME OFFICE SERVICE AND UNDERWRITING

PLUS

\$10 per day hospitalization and \$300 surgical group insurance added to our group life and pension programs for those of us who do an outstanding job--at no cost to us.

Their continuous efforts give me better merchandise and service... help keep me happy and prosperous... which, in turn, help the Company continue its amazing growth and progress."

H. J. Durand

For Information Address:

CHARLES J. MESMAN
Superintendent of Agencies



CRAWFORD H. ELLIS
President

EDWARD G. SIMMONS
Executive Vice-President

KENNETH D. HAMER
Vice-President & Agency Director

PAN-AMERICAN
LIFE INSURANCE CO.
NEW ORLEANS, U. S. A.

The 99th annual statement

ASSETS		
United States Government Bonds		\$1,144,244.85
Other Bonds (Insurance Companies' Bonds)		\$1,144,244.85
Canadian Government and Municipal		\$1,144,244.85
U. S. Municipal		\$1,144,244.85
Public Utility		\$1,144,244.85
Railroad		\$1,144,244.85
Industrial		\$1,144,244.85
Stocks (Market Value)		\$1,144,244.85
Preferred		\$1,144,244.85
Common		\$1,144,244.85
Cash		\$1,144,244.85
Mortgage Loans		\$1,144,244.85
F.I.A. Insured		\$1,144,244.85
Valuation Guaranteed		\$1,144,244.85
Conventional		\$1,144,244.85
Loans on Policies		\$1,144,244.85
Property Sold Under Loan Contract		\$1,144,244.85
Real Estate		\$1,144,244.85
Home Office		\$1,144,244.85
Other		\$1,144,244.85
Other Assets including Premiums in course of collection, interest and bonds due and accrued, etc.		\$1,144,244.85
Total Admitted Assets		\$124,785,175.92
LIABILITIES		
Policyholders' Reserves present value of outstanding policies and annuity contracts, including disability, double indemnity and accident & health benefits		\$1,144,244.85
Policyholders' Funds present value of proceeds of policies, dividends, etc. left on deposit with the Company		\$1,144,244.85
Claims awaiting proof and not yet due		\$1,144,244.85
Accruals including Taxes, Expenses, Interest paid to advance, Employees' Pension Fund, etc.		\$1,144,244.85
Dividends apportioned for one year, deferred dividends payable after one year, and \$37,141.81 dividends earned		\$1,144,244.85
Surplus Funds		\$1,144,244.85
Contingency Fund for fluctuation of investments		\$1,144,244.85
Unassigned Surplus		\$1,144,244.85
Total Liabilities and Surplus Funds		\$124,785,175.92

BERKSHIRE

LIFE, ANNUITIES, ACCIDENT & HEALTH AND HOSPITALIZATION

HARRISON L. AMES, PRES.
PITTSFIELD, MASSACHUSETTS - A MUTUAL COMPANY - INCORPORATED 1881

THE COUNTRY'S MOST FRIENDLY COMPANY OFFERS...

- Modern and attractive agent's and general agent's contracts to those looking for a permanent connection.
- Complete line of Life Insurance policy contracts from birth to age 65 with full death benefit from age 0 on juvenile policy contracts.
- Complete line of Accident and Health policy contracts with lifetime benefits.
- Individual Family Hospitalization contracts with surgical, medical and nurse benefits.
- Complete substandard facilities.
- Educational program for fieldman.

Strong, Progressive Company

Older than 85% of all legal reserve life insurance companies

COMPANY'S EXPANSION PROGRAM OFFERS

Openings in California, Illinois, Indiana, Kansas, Michigan, Minnesota, Missouri, Nebraska, New Jersey, North Dakota, Ohio and Wisconsin

NORTH AMERICAN LIFE INSURANCE COMPANY OF CHICAGO

C. G. ASHBROOK, EXECUTIVE VICE PRESIDENT
NORTH AMERICAN BUILDING, CHICAGO 3, ILLINOIS

Agent of Future May Sell Only, Leaving Service to Another

Zimmerman Turns Imagination to Dual Nature of the Job

Charles J. Zimmerman, associate managing director of L.I.A.M.A., presented to the small companies spring conference at Chicago a verbal picture of a possible future in which the present job of the life insurance agent is assigned to two men, the one to write new business and the other to service business on the books. New salesmen under this system would be recruited from the ranks of the service representatives and trainees rather than from other lines of business. The service men would under study the salesmen.



C. J. Zimmerman

Mr. Zimmerman maintained that the life insurance business today is much weaker in conserving business and in serving the established policyholders than in writing new business. He envisioned the staff of service men as being compensated primarily on a salary basis with some commission or bonus arrangement as an incentive to improve their work.

The speaker noted a trend toward a more integrated employer-employee relationship between agents and companies. He said this trend matches the discernible trend toward setting up service organizations as distinct from sales organizations and of setting up specialist organizations as distinct from either the service or sales organizations. He said that the increased employer-employee relationship places on the company and management a greater responsibility for the selection, training, supervision and compensation of representatives in the field.

Dangers in Narrow Markets

According to Mr. Zimmerman there are inherent dangers for companies which determine to serve only a narrow segment of the market. He said it was possible that those companies which have decided to serve only the extremely high income group may find difficulties in future years. Should this high income group be further severely handicapped by taxation or should business endeavor to protect the welfare of its higher paid executives by making available greater benefits at company expense, the specialized companies would suffer, he declared.

He believes that companies have not been alert to shifts in population, particularly the shift of much business in the large cities to the suburbs. "There is a tremendous reluctance on the part of companies to establish branch offices or district agencies in smaller suburban communities, even though it would seem both logical and profitable to become established in these suburban areas at an early date in their growth," he stated.

He characterized as perhaps the most

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LIKE CAL., N. J.

Cash Sickness Bill Introduced in Illinois

A cash sickness measure of the type now in effect in California and New Jersey has been introduced in the Illinois house. Referring to its coverage as "disablement compensation," H.B. 190 was introduced by 15 sponsors, headed by Vice-chairman G. William Horsley of the house insurance committee. Mr. Horsley is a Republican from Springfield.

A similar bill was introduced in 1949. H.B. 190 permits contracting out of coverage to private insurers.

The bill is strongly opposed by the Illinois Life Underwriters Assn. Robert R. Reno, Jr., state legislation chairman of National Assn. of Life Underwriters and legislative chairman of the Illinois association, has bulletined his state committee members and Illinois local associations. N.A.L.U.'s position is absolute and complete opposition to all compulsory cash sickness benefit plans. Mr. Reno stated in a warning on such proposals last December: "This type of legislation must be opposed with every effort at your command. The history of government operations surely does not suggest that a state would operate a better or more efficient service than the plans which private insurance and voluntary methods can provide. And in any case, laws of this type are substantially a step in the general—and generally unwise—movement of increasing government intervention in commerce and industry. Any further trend of this nature is certainly not in the best interest of the insuring public and the business of insurance."

800 Attend Harrington Dinner

About 800 turned out for the testimonial dinner for C. F. J. Harrington, on whom the political axe descended after 13 years as Massachusetts insurance commissioner and who has now become a member of Passe Club International. Franklin J. Connors of Kaler, Carney, Liffert Co., was general chairman and Arthur D. Cronin of the same organization was toastmaster. The group presented a bond to Mr. Harrington.

Speakers included Robert E. Dineen, former New York superintendent and now vice-president of Northwestern Mutual Life, who characterized Mr. Harrington as "the most honorable public servant we have ever known." Paul Clark, president of John Hancock Mutual Life declared that Mr. Harrington had shaped for the better, the course of insurance affairs during a critical period. S. Bruce Black, president of Liberty Mutual, declared that Mr. Harrington was almost entirely responsible for the spread of multiple line underwriting. Donald C. Bowersock, president of Boston, said Mr. Harrington has the courage of his convictions. Joseph A. Scolpenetti, Boston politician, lawyer and labor leader, urged insurance leaders to establish a place in the business for Mr. Harrington consistent with his talents and experience.

Perlet Leaves Chamber

Harry F. Perlet has resigned as assistant manager of the U. S. Chamber of Commerce insurance department to become associate general counsel of Associated Factory Mutuals at Providence. General counsel is Ambrose Kelly.

February Sales Slightly Below '50

Life insurance purchases in the United States in February showed a negligible decrease from the corresponding month last year, Life Insurance Agency Management Assn. reports. The total was \$2,355,000,000 against \$2,358,000,000 in February, 1950.

Purchases of ordinary life insurance in February were \$1,291,000,000, up 7%; industrial \$424 million, decrease 7%, and group \$640 million in February, decrease of 8%. This represents new groups set up and does not include additions under group contracts already in force.

For the first two months of the year total life insurance purchases were \$4,423,000,000, increase 7% over the same period in 1950; ordinary life \$2,643,000,000, increase 13%; industrial \$819 million, decrease 7%, and group \$961 million, a rise of 7%.

Send N. Y. Governor Variety of Bills

A variety of bills affecting life insurance were passed by the New York legislature before its adjournment and have been sent to the governor for signature.

Both houses passed a bill authorizing companies to invest in common stock as previously reported up to 3% of assets or one-third of surplus, whichever is less. A variety of minor investment revisions, previously reported, also went through in this same bill. Though there was some question of a common stock bill going through until the final hours of the session, through some quirk the governor now has received two bills allowing companies to invest in equities. It is expected that he will ignore one of them, presumably the bill written with the common stock allowance alone, and sign the bill attached to the proposal granting the lesser investment liberalizations.

Pass N.A.I.C. War Clause Bill

The legislature also passed the model war clause bill suggested by National Assn. of Insurance Commissioners and the model accident and health provisions law. A bill striking out the minimum of 25 lives for group A. & H. was passed as well as two minor amendments to the A. & H. law. A liberalization in juvenile limits passed. Another measure allows the conversion of group life to term at the termination of the contract by the individual, his employer or the insurer. A further extension of the group law will allow it to be written on the employees of public housing authorities.

Earlier in the session the legislature passed a bill patching a gap in the current law and requiring a notice of non-forfeiture benefits be sent to policyholders of monthly ordinary business. Gov. Dewey has signed this bill.

Zone 3 Program Given

Zone 3 of National Assn. of Insurance Commissioners, at its convention at New Orleans will have an open session April 10. Most of the subjects pertain exclusively to fire and casualty lines. Those of more general interest include: Should policy fees be abolished? Unauthorized insurance and agents' qualification laws.

Commissioners and their staffs will be in executive session April 11 and meetings are at the Roosevelt hotel. A fishing trip is being arranged through the Louisiana conservation department.

Life Advertisers Plan Future in a Defense Economy

Seeking Tangible Results to Offset Costs, Implement Economy Mindedness

By DONALD J. REAP

NEW YORK—The part to be played by life advertising in the defense economy as a sales and prestige building instrument plus a major concern with the effective use of the advertising man's skills in helping companies fight inflation were the principal subjects at the annual meeting of the Eastern Round Table of Life Advertisers Assn.

At the same time members expressed great interest in ways and means of increasing the tangible results of their advertising and sales promotion methods to offset their greater costs and to implement economy mindedness in home and branch offices.

At the top management level, companies, as a general rule, tend to appreciate to a greater degree the essential part advertising and public relations play in the successful conduct of the business, and, though this condition is still far from an optimum, this enhanced prestige lends added weight to the goings on at these round table meetings and the resulting influence they have on executive decisions.

Management is increasingly inclined to go along with a program once its objectives are clearly outlined. There is no longer an insistence upon X dollars of business the day after an ad has been placed. This added understanding of the problem, however, has not diverted life advertisers from their business getting aims. The effectiveness of promotion plans and programs discussed in developing new business is more often than not a criterion which all new expenses must meet. For example, this year there was a greater interest in coupon ads that will get an agent a favorable interview with a prospect.

More than 100 attended the two-day meeting, which was under the chairmanship of Margaret Divver, John Hancock.

Round Table Calendar

Robert B. Taylor, Jefferson Standard, L.A.A. president, gave the welcoming address at the opening luncheon. He announced that the annual meeting will be held Oct. 29-31 in Williamsburg, Va. David W. Tibbott, New England Mutual, has been named meeting chairman. Exhibits will be in charge of Fred J. Kiefner, Provident Mutual, assisted by Richard Andrews, Pilot Life. Other round table meetings are: North Central, April 26-27, in Excelsior Springs, Mo., with Darrel Hinkle, Guarantee Mutual Life, chairman, and Southern, May 13-15 in Atlanta with John L. Briggs, Southland Life, chairman.

Mr. Taylor has appointed a committee to examine the possibilities of rendering greater educational aid to members in the techniques of sales promotion and advertising work. The members of this committee are Royden C. Berger, Connecticut Mutual; Morgan S. Crockford, Excelsior Life; H. G. Kenagy, Mutual

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Informality and Frankness Prevail at LIAMA Small Companies Meeting

Though the attendance at the small companies conferences of L.I.A.M.A. has grown enormously in recent years, the discussion groups still manage to retain much of the informal give-and-take that used to characterize these meetings when there were no more participants on hand than could be seated around a big table.

This informality was further facilitated at the spring meeting in Chicago this week by having one discussion group for companies with \$100 million or more in force and another for companies under \$100 million. At these sessions the participants discussed their problems frankly and openly, sometimes with rueful humor as they told of something they had tried that didn't work out so well.

Ralph Lounsbury Chairman

The discussion group for companies with more than \$100 million in force opened with President Ralph R. Lounsbury of Bankers National as chairman. If any leavening touch were needed it had the ebullient sergeant-at-arms, M. F. Browne, agency vice-president of Occidental of North Carolina, who not only fulfilled his appointed function of collecting a quarter from each late arrival but imposed similar on-the-spot fines on anyone whom he adjudged guilty of relating too favorable an account of his company's experience.

With all the fun, however, there was plenty of serious, thoughtful discussion. The opening topic at the over \$100 million group was field compensation. Nobody had a pat answer for that one but there was a widespread feeling that whatever might be done about compensation would not be the entire answer to the problem. Agents who quit, it appears, do not do so just because they feel they are not adequately paid. Often they have a feeling of insecurity in their relations with their managers and their clients and prospects. Or it may be something else that is impairing their earning power. One executive stressed the advisability of keeping closely in touch with agents so as to know their problems and to develop a feeling of esprit de corps so that agents would have a feeling of loyalty to the company and not be ready to jump the fence every time some other pasture looked a little greener.

Add A. & H. Coverage

One solution that was suggested and that appears to be gaining popularity not only as a compensation booster but for other reasons is the addition of A. & H. and hospitalization coverages.

B. N. Woodson, executive vice-president of State Life of Indiana, said that insurance agents, both life and fire and casualty, are the only people that have an automatic escalator clause in their contracts and that the same inflation that has raised their living costs has also opened up the opportunity to sell correspondingly larger amounts of insurance. First-year premiums, he pointed out, constitute almost the same share of national income as they did before the war. Because they have not quite kept pace, however, State Life has instituted a persistency bonus. This gives the agents more money for better quality business but doesn't impair the company's competitive position by involving it in higher insurance costs.

GENERAL AGENT HIT

Mr. Woodson said that the one who is really pinched is the general agent because there is a lag of several years in the added compensation arising out of inflated sales.

One of the participants who felt that the solution lies largely outside the area

of compensation said that the basic problem is that many agents work only about half a day and don't know where to go or what to say in order to get business. While this may be the agent's fault, it is also a question of management and it is up to the latter to help the agent to see more people and sell more insurance. Several of those present brought out the fact that it is the marginal agents rather than the better agents who are the most concerned over what inflation is doing to their earnings.

Another executive brought out that there has been a terrific increase in the expense of operation, saying that, for example, an agent who earned \$4,000 a few years ago and had \$600 of expenses may now be writing \$6,000 but have \$1,600 of expenses.

More, Bigger Debit Balances

In the discussion on financing, it was brought out that there are more agents with debit balances and for larger amounts. Chairman Lounsbury asked if more agents were hypothecating renewals, a costly choice of words, as the sergeant-at-arms immediately slapped a 25-cent fine on him for using a big word like "hypothecate."

Roger Bourland, Liberty Life's director of ordinary agencies, said his company's experience had been that it didn't lose money on good men, so it was a question of determining as quickly as possible which men are marginal and then dropping them. The company formerly charged its managers 25% for

losses on new men but offered to discontinue this charge if the managers would adopt a termination schedule with teeth in it. This has been in operation six months and while Mr. Bourland said this is not enough experience to be conclusive, nevertheless financing losses have "taken a nose-dive" since the company adopted this policy.

More Use Financing Plans

The problem of financing has become of increasingly wide interest. A show of hands indicated that many more are using a definite plan of financing than was the case five years ago.

Harry S. McConachie, vice-president of American Mutual of Des Moines, said that a great many life agents write a considerable volume of fire and casualty insurance, which augments their incomes materially, and that this should be taken into account in appraising the agent's situation.

There was extensive discussion of production contests but the consensus was overwhelmingly that they are worthwhile, both financially and from an agent morale standpoint. There was general agreement, however, that unless a contest is conceived and executed with originality and imagination and properly sold to the agency force it might just as well not be held. A purpose or theme is essential.

The difficulty for some companies has been whether to hold contests on a submitted or paid basis. If on a submitted basis, a lot of the business won't get

paid for but if there is a limit considerably after the close of the contest to get the business paid for, the results are ancient history by the time the winners are announced. One plan is to allow only a brief interval to clean up submitted business that has not been paid for. One company has found that by exercising proper control over its agents it can get as good persistency on a submitted basis as on a paid-for basis.

EGO RECOGNITION

H. W. Kraft, superintendent of agencies of Ohio State Life, stressed the recognition that agents like to get out of winning contests, which to many is much more important than the money they win. He mentioned the problem of keeping up their interest over an extended period of time and said that it is important to set forth the rules clearly at the start of the contest. Every agent's first question when he looks at the rules is whether he can win something. Ohio State divides its agents into four production groups for contests.

Norman T. Carson, agency vice-president of Security Mutual Life of Binghamton, N. Y., said his company had good results from its round-the-clock drives which this year netted \$4.3 million in a single day. The paid-for figure on this business showed only about a 25% shrinkage and even at that there was some salvage in that the agents were able to re-sell part of it. A feature of this is that it is started off at 1 a.m. by a call from the home office over a long-distance phone hook-up to all the agencies. Even with the telephone expense, the cost is low, he said.

"Vacuum" Is Offset

It was admitted that sometimes there is a "vacuum" following contests by reason of the agents having used up their prospects but there was considerable testimony to the effect that this was more than offset by the fact that many agents raised their sights and acquired a new work pace in the contest that helped them later on.

Mr. McConachie said his company uses merchandise prizes for its Oct. 15-Dec. 15 annual Christmas contest. Points are given on the basis of paid premiums and the points are good for merchandise in a catalog that the company puts out. The agency force has become accustomed to doing their Christmas shopping out of the catalog.

A show of hands indicated that many more use merchandise prizes than cash.

Richard Boissard, president of National Guardian, said that his company runs contests in months when production would normally be low and in this way effects a more even and economical flow of business through the new business department. An important angle is to dispel any idea that the men may have that only a few top agents win prizes. Consequently, the announcement of the contest always lists the names of the previous year's winners. For example, 102 men won prizes in 1950.

May Make Contest Survey

There was so much interest in the subject of contests that it was decided to ask L.I.A.M.A.'s officers to consider getting up a survey of company practices.

C. J. Zimmerman, associate managing director of L.I.A.M.A., said that there is always a vocal minority of agents who oppose contests and that as a result of such opposition two of the larger companies decided to eliminate them, with the idea of smoothing out the peaks and valleys. The result was that loss

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The COMMONWEALTH Commentary

WHAT DOES A WOMAN REALLY WANT?

It has been proved through psychological studies, through quizzes, through surveys that the single thing most wanted by women of all ages is SECURITY!

They want to know that they will not, in their old age, drift from one relation to another or be left in the poorhouse. SECURITY, to most people, means adequate financial income in old age. This basic idea of wanting SECURITY is the driving power behind all of us, but it seems to be much stronger, much more important to women.

Realizing this fact, and realizing too that life insurance today affords the best type of financial security, you insurance salesmen can actually perform a service to the women of this nation and at the same time increase your volume of business by devoting more time to this often-neglected field.

INSURANCE IN FORCE—February 1, 1951—\$484,807,838



COMMONWEALTH
Life Insurance Company

HOME OFFICE • LOUISVILLE, KY.

Shipley Retires as V. P. and Becomes General Agent

George V. Shipley has retired as vice-president of Occidental Life under the



G. V. Shipley

company's retirement plan but will continue active in field work as general agent at North Hollywood, Calif. He would normally have retired April 1, but advanced the date in order to get his agency operation started. The office has already been opened.

Mr. Shipley has had 40 years of insurance experience, having entered life insurance selling directly after completing his schooling. He began as a personal producer for Central States Life in Nebraska, became a general agent and was a perennial leader for that company when he joined Occidental at Los Angeles in 1928. Five years later he was made a home office supervisor.

With headquarters in the middle west, he did much of the spade work that led to Occidental's development from Denver to the east coast. In 1943 he was named vice-president with the active responsibility of developing the eastern division and has since been in complete charge of that territory.

Issue Favorable Valuation Rule on New 2 3/4 % Bonds

Companies will be allowed to report in annual statements their conversion of 2 1/2 % bonds to the new 2 3/4 % Treasury notes at a cost corresponding to the amortized value of the 2 1/2 % bonds at the surrender date, according to a resolution adopted by the committee on valuation of securities of the National Assn. of Insurance Commissioners. The committee is headed by Superintendent Bohlinger of New York.

The decision is favorable to the companies for otherwise they would have had to take the difference in book value and market as a loss on sale of securities and make up the difference from surplus. If they carried them at 100 1/2 %, for example, they will not now lose by the decline in value of the 2 1/2 % bonds to below par. This would have brought about an anomalous result in that they would be charged with a loss even though they will be picking up securities of similar class with a higher interest rate.

Removes Obstacle to Conversion

The N.A.I.C. decision will remove an obstacle to the conversion by the companies to the new issue of securities.

The committee resolution says: "Resolved, that the 2 3/4 % Treasury bonds investment series 'B'—1975—80 which insurers may have received in exchange for 2 1/2 % Treasury bonds of 1967-72 may be reported in the statement of insurers at a cost corresponding to the amortized value of the bonds surrendered calculated as of the surrender date. The 2 3/4 % Treasury bonds investment series 'B'—1975-80 so received shall be deemed amply secured and shall be amortizable using as cost for such purpose the value of the surrendered bonds."

To Use Written Agent Licensing Exams in Conn.

The Connecticut department commencing June 4 will use new written examinations for agents' licenses. These will be of the multiple choice answer type.

The department will retain its four basic examinations for fire and allied lines, casualty, A. & H., and life. No tests will be given of applicants for a travel accident ticket or baggage agents' license.

A syllabus on the subjects to be covered in the new examination has been prepared by the department. Each examination will contain approximately 100 questions and require about two hours to complete. Commissioner Allyn has announced that the question and answer booklet published and sold by the department for the past five years, will not be available after the present supply is exhausted.

Night study courses to assist applicants will be given by the University of Connecticut. They will also be available to those already licensed. It is planned to run the courses over a five-week period.

D. G. Hinkle Made Chairman

Darrel G. Hinkle, sales promotion director Guarantee Mutual Life, has been named chairman of the North Central Round Table of Life Insurance Advertisers Assn., to be held April 26-27 at Excelsior Springs, Mo.

Theme of the meeting will be "hot ideas." At the opening session each delegate will tender a brief report on one sales idea which has worked particularly well for his company during the year. There will be displays of material presented and the second session will be devoted to round table discussion of these ideas.

No Regulations in Sight; Companies Must Make Own SS Determinations

Ralph H. Kastner, associate general counsel of American Life Convention,



R. H. Kastner

commented in his address before the small companies conference of L.I.A.M.A. at Chicago that it appears companies must make individual determinations of which of their agents are to be included under social security, because it is apparent that Treasury regulations will not be forthcoming for some time. He said the Treasury is unwilling to work out a common solution at the present time, possibly because of recognition of the unique character of the commission-payment system of the life insurance business. Individual determination by the companies would seemingly be necessary also as to treatment of renewal commissions, whether as deferred compensation or compensation for current services, because of the involvement of subjective factors and judgments.

Mr. Kastner recalled that A.L.C.-L.I.A. made a submission to the Treasury last November arguing the current compensation theory which would subject to tax renewal commissions now being paid on pre-1951 business, so long as the agent remained under contract, but avoid payment of taxes on commissions to terminated agents. Coupled with this it was contended that an agent retiring at or after age 65 should be entitled to OASI benefits, if he rendered no "substantial" services in connection with renewal commissions so as

to disqualify him from benefits on that account.

Though the Treasury department has not promulgated any regulations in point, it did two weeks ago give Lamar Life a letter-ruling in response to a request about this matter, he said. This letter-ruling held that since the company's agents had theretofore been held to be independent contractors, renewal commissions on business written by such individuals prior to Jan. 1, 1951, would not be subject to the federal insurance contribution tax. While this letter-ruling has not been generally circulated, Mr. Kastner termed it understood that many companies will continue to follow the practice which they individually made operative as of the first of the year and continue to withhold from contracted agents' new and renewal commissions and payment of the company's portion of the tax. This is done on the theory that each company must chart its own course and desires to build up the agent's benefit fund as promptly as possible to provide.

Income Tax Threat to Agent

Agents' pension plans and their status for federal income tax purposes pose further problems for both the agency and legal departments, he stated. "You are aware that, presently, the agent faces a serious income tax threat in his year of retirement, since such pension and retirement plans have not been approved under section 165A, internal revenue code, where there is no employer-employee relationship. An effort to correct that situation is again underway. One approach is by amendment of section 165A to broaden the term 'employee' therein contained to encompass those who come within the scope of the same statutory term under the social security act, and thus embrace 'full-time life insurance salesman,' but unfortunately that will not care for retired general agents," he said.

According to the speaker the other approach would contemplate an amendment to section 22(b)(2) B of the revenue code which would specifically relate to insurance agents and their pension plans. He said the first idea would seem to have the better prospect of success.

Mr. Kastner described the federal security administration as currently attempting to delete the exemption of commission agents from the unemployment provisions of the social security act. This attempt was pressed in 1950 after an initial unsuccessful attempt and it is anticipated that it will be more vigorously pushed in 1951, particularly in view of the inclusion of "full-time" agents under OASI, he stated.

State Unemployment Moves

He noted at least three proposals, in California, Connecticut and Minnesota, to strike down the exemption of commission agents under state unemployment compensation laws. He commented, "We have been unable to ascertain if they were initiated at the instance of the federal authorities, but we have our suspicions in that regard. Such measures are being carefully watched and have made no appreciable advance thus far."

It was Mr. Kastner's thesis that the agency department chieftains should make more use of the advice from the legal departments of their companies. He said that frequently "bugs" of one sort or another creep into agency contracts which might have been obviated had counsel been asked to scrutinize the contracts before actual usage. He termed it as necessary for company counsel to make frequent reviews of company practices in the direction of estate planning so as to avoid charges such as those recently leveled by the unauthorized practice of law committee of the American Bar Assn. at practices

(CONTINUED ON PAGE 21)

Picture Publicity

Your picture in print is good publicity in proportion to how good the original photograph is. Only if it makes a favorable impression do you gain.

When an insurance journal is going to print your picture, the engraver copies the portrait photograph onto a zinc or copper plate from which the printer makes impressions. Your picture in the magazine distributes so many thousand copies of your portrait. If the original photograph costs you only a dollar or so, then you are expecting several thousand copies of your portrait at too much of a bargain. If it is a poor photograph or one out of date, it is no bargain at any cost. A printed picture is a much more candid description of your appearance than any words are.

If it is worth your while to get publicity by picture, then the question to ask yourself is how much you are willing to invest in your original photographic portrait. A few dollars divided by several thousand is the cash value of each picture of you the magazine is giving your public. You won't get good picture publicity unless you are willing to make a reasonable investment.

THE PENN MUTUAL LIFE INSURANCE CO.

MALCOLM ADAM

President

INDEPENDENCE SQUARE, PHILADELPHIA

SMALL COMPANIES MEET

Important Functions of Executive Work Are Told

Life Insurance Agency Management and inflation.

Assn.'s small companies spring conference got off to a fast start Monday at Chicago with a lively symposium entitled "Blueprint for Today's Operations," in which the salient features of the work of various executive positions were described. E. A. Frerichs, vice-president and agency manager of Security Mutual of Nebraska, chairman of L.I.A.M.A.'s small companies committee, presided at the session. Speakers were S. J. Hay, president Great National Life; David W. Gordon, financial vice-president Monarch Life of Massachusetts; W. Darrell Laird, assistant general manager and actuary Monarch Life of Canada; Walter K. Fritz, secretary Capitol Life; Robert W. Edick, secretary Provident Life of North Dakota; Lewis W. S. Chapman, L.I.A.M.A. director of company relations, and Edward R. Hodgkins, vice-president and manager of agencies of Paul Revere Life.

Mr. Hay described as one of the most important functions of the president of a life company, large or small, establishment of lines of communication through the organization with a follow-up to see that they continue to work. Little companies, Mr. Hay said, have many advantages over big companies, one of which he listed as a direct line of communication to the president.

"But as we grow," he added, "we will lose our direct line and will have to be dependent on others to transmit our message." Mr. Hay stated that the cooperation of the agency director is imperative if the president is to do his job effectively. "Certainly it is incumbent upon the agency director to maintain such efficient lines of communication between the office of the president and the field that the field organization is at all times aware of the company objective and the philosophy of management."

Sees Big Year

In spite of sharply increasing taxes, Mr. Gordon pointed out, it has been calculated that net personal savings in 1951 will rise to \$18 billion, compared with \$11 billion in 1950. In 1950, he said, 75% of all net personal savings went into institutional channels. If the same percentage holds true for 1951, approximately \$13.5 billion might be expected to be lodged with institutions. It would therefore seem, he predicted, that 1951 should prove to be a good year for the sale of life insurance as well as a busy year for the investment side of the business. Mr. Gordon discussed the many factors involved in forming a policy for the purchase of securities, especially interest rates, tax-

According to Mr. Laird, each company officer should be an extension of some part of the president, whether it be an extension of his mind or hand or voice. "Each of us is here to do something which the president cannot do himself, but we must do these things as if we were one man." Mr. Laird remarked that it is the actuary's primary task to act as the part of the manager's mind which takes all the alternatives available to earn the highest rate of profit possible, puts them together in various combinations and calculates what the consequences of each combination will be.

Cites Importance of Predictions

Mentioning the rapid rise of expenses, Mr. Laird said one of the predictions an actuary has to take into account is the prospective volume of sales. The agency officer is the person who must make a responsible prediction of sales. "At the moment, it is being suggested that rates of commissions should be changed to reflect the increase in the cost of living. It is suggested that companies are not paying enough under present conditions to attract the kind of men who can sell and sell well. Here is another prediction which the actuary must take into account and again, the agency officer is the expert who must make the responsible prediction."

Mr. Fritz, in explaining how the chief underwriter works, emphasized that he must have an alert attitude on departmental functions, relationships with other departments and relationships with the field force. If there is a lack of good relations with other departments, he said, underwriting operations are bound to be unsuccessful. It is certain, he added, that unless matters concerning general underwriting policies are thoroughly discussed with the agency department before being taken up with sales representatives, friction will arise. Such friction leads to the breakdown of a successful sales program, he stressed.

"It would seem to me," Mr. Fritz remarked, "that in a small company our thinking should be concentrated on how each of us can help the agency department, for that kind of help will mean growth and future opportunities."

Secretary Gives Service

Mr. Edick presented the secretary's job as one of service to the home office, the policyholder and the field force. This service must be of the best quality possible, furnished accurately and promptly and at the lowest possible cost. Mr. Edick mentioned as an example of services performed by the secretary's

department direct transactions with policyholders, while keeping the agent informed about the transaction. "Suggestions from the agents regarding improvement in letters should always be welcomed," he said, "since it is important for the company to maintain the policyholders' point of view." In working with the agency department, Mr. Edick thinks it is important for both departments to keep in mind that field offices must be integrated as much as possible with over-all company personnel practices.

A picture of L.I.A.M.A. as "part of the agency department of a company" was drawn by Mr. Chapman. He recalled that when the association's research bureau was started in 1922, seven of the original 13 companies were small companies. Since that time, he said, the small companies have been the backbone of the membership. They have put research results, new facts and findings and new methods to work more quickly and efficiently than many larger companies.

What Association Is Doing

Reviewing some of the things the association is doing, Mr. Chapman mentioned the selection, training and supervisory tools available to members, and especially pointed to the enlarged program to study agent attitude which is being undertaken.

Mr. Hodgkins said that the agency officer as head of the entire field organization is in charge of the largest and most vital branch of a company. He pointed out that since the agency organization is in more or less direct communication with policyholders, it possesses tremendous responsibilities. One would think, he stated, the agency officer would sit in the councils of his company. "Ideally, this is true, but unfortunately, in practice, we find that some company managements are content to limit the area of responsibility to affairs pertaining strictly to the agency department."

To function effectively as a company officer, the agency officer must have extensive knowledge of the relationship of the agency to other departments, Mr. Hodgkins emphasized. Fulfillment of his role demands that he know something of the outside forces which influence his company operations. In reviewing some of these "outside forces" he named rising prices and wages, high taxes and the dwindling manpower supplies.

Nat'l Bills Affect Insurance

WASHINGTON — Bills have been introduced to carry out recommendations of the Hoover commission for reorganizing the veterans insurance service, to consolidate government hospital, medical and public health work into a new department of health, and to set up a department of social security and education.

Another bill would create a veterans insurance corporation in the veterans administration to "exercise all of the functions with respect to Government life insurance and National Service life insurance." The Hoover commission had recommended creation of such a corporation.

Indications are that the conference committee on servicemen's insurance legislation will not meet until after the Easter recess of Congress ending April 2.

Rep. Rankin, chairman of the House veterans affairs committee and head of the House conferees, says he has been trying daily to arrange for a conference committee meeting, but has not obtained agreement upon a date with Senators.

Postal Names von Zehle

Postal Life has appointed William von Zehle & Co. as its advertising agency to handle publication, insurance magazine and direct mail advertising. A. Wilbur Nelson, director of von Zehle's insurance advertising division, is the account executive.

Results of 1950 Operations Told

FARM BUREAU, OHIO

Insurance in force of Farm Bureau Life of Columbus reached \$379 million at Dec. 31, this being an increase of more than 25%. Premium income amounted to \$7,795,527. Assets were \$31,436,355 which was an increase of more than 20%.

GREAT SOUTHERN

Great Southern Life sales during 1950 totaled \$60,771,212. There were 16,898 policies delivered, bringing the total of policies to 200,000 and insurance in force to \$515,224,634. Beneficiaries received \$3,357,563 in death benefits and living policyholders received \$2,622,227. Assets amounted to \$115,207,477. Capital was \$3 million, contingency reserve was \$2,546,763 and unassigned surplus was \$4 million.

NEW YORK LIFE

Life insurance in force of New York Life at the close of 1950 was \$10,585,587,438 in 3,864,338 policies. Sales of new life insurance reached a record total of \$1,012,322,500, an increase over 1949 sales of \$159,937,000. Payments to living policyholders in 1950 amounted to \$140,420,485 and to beneficiaries to \$94,466,289. Assets rose to \$4,907,729,002.

PACIFIC MUTUAL

New life insurance during 1950 for Pacific Mutual amounted to a record \$175,378,830. Life insurance in force rose to \$1,067,381,047. Of this total, \$142,847,000 is group life. A. & H. placed during the year exceeded the previous year's total by 81%. Assets reached \$395,931,782. Surplus to policyholders was \$14,339,685 and investment reserves were \$3,333,726. Net interest earned on assets was 3.27%, an increase of .04% over 1949. The company paid taxes of \$1,223,371. Policyholders and beneficiaries received payments of \$28,972,570 during 1950.

PROVIDENT L. & A.

Life insurance in force for Provident L. & A. during 1950 gained \$180,253,501 to total \$765,024,566. The A. & H. premium income gain was \$3,837,015 during the year and the total A. & H. premium income for 1950 was \$28,254,322. Assets gained \$6,993,108 to total \$61,596,500. Total income was \$40,765,619 during 1950. Records were set in both life and A. & H. sales.

SOUTHWESTERN LIFE

Southwestern Life's insurance in force at the close of 1950 was \$829,222,242, an increase of \$67,578,223. Insurance paid for in 1950 exceeded \$115 million, more than in any previous year in the history of the company.

Assets at the year-end were \$223,090,135, an increase of \$22,957,213.

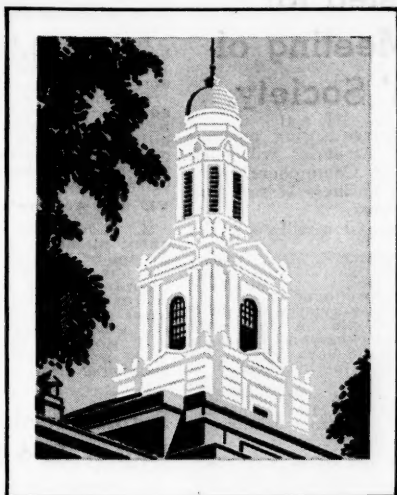
UNITED STATES LIFE

United States Life new paid ordinary and group life in 1950 amounted to \$161 million, the largest volume in any single year. Total insurance in force stood at \$426,388,055, a gain of \$147 million during the year. Assets increased more than \$5 million to total \$43,831,658. A. & H. premiums paid during the year were \$2,256,069. Capital and surplus increased by \$800,000 to \$3,052,653. There was \$5,022,335 paid to policyholders and beneficiaries. The net interest rate earned rose to 3.38%. The trend toward concentration on domestic business continued with nearly 64% of the 1950 premium income coming from domestic territory and 15% from Latin America.

Prudential recently paid a \$9,000 death claim on a soldier killed in Korea who had made but one premium payment. The policy was within two weeks of running out on the extended term option when he was killed.



Pictured at the Eastern Round Table of Life Insurance Advertisers Assn. at New York City are, from left, Frank Shoring, Columbian National Life; George H. Kelley, New York Life; Robert B. Taylor, Jefferson Standard Life; Margaret Divver, John Hancock, and August C. Hansch, Mutual Benefit Life.



Condensed Statements ÆTNA LIFE AFFILIATED COMPANIES

Hartford, Connecticut

Morgan B. Brainard, *President*

FINANCIAL CONDITION AS OF DECEMBER 31, 1950

Ætina Life Insurance Company

The premium income was \$316,948,847, an increase for the year of \$49,935,780.

Total insurance in force at the end of the year was \$9,374,382,305, an increase of \$1,187,529,505.

Assets were \$1,812,314,530, an increase for the year of \$169,539,975.

The Ætina Casualty and Surety Company

The premium income was \$90,526,044, an increase of \$3,807,012.

Assets were \$176,817,670, an increase of \$12,480,174.

The Automobile Insurance Company

The premium income was \$44,540,179, an increase of \$2,211,150.

Assets increased \$11,630,232 to \$80,896,454.

The Standard Fire Insurance Company

The premium income was \$7,323,761, an increase of \$884,449.

Assets increased \$2,058,215 to \$15,917,908.

All Companies

The total premium income during 1950 was \$459,338,831.

Paid to or for policyholders since organization, \$3,461,697,886.

ÆTNA LIFE INSURANCE COMPANY

Assets	\$1,812,314,530.42
Liabilities	1,665,200,309.41
Contingency reserve	\$58,700,000.00
Capital	20,000,000.00
Surplus	<u>68,414,221.01</u> \$ 147,114,221.01

THE ÆTNA CASUALTY AND SURETY COMPANY

Assets	\$ 176,817,670.01
Liabilities	122,880,195.46
Contingency reserve	\$12,500,000.00
Capital	6,000,000.00
Surplus	<u>35,437,474.55</u> \$ 53,937,474.55

THE AUTOMOBILE INSURANCE COMPANY

Assets	\$ 80,896,453.64
Liabilities	52,348,386.09
Contingency reserve	\$ 5,450,000.00
Capital	5,000,000.00
Surplus	<u>18,098,067.55</u> \$ 28,548,067.55

THE STANDARD FIRE INSURANCE COMPANY

Assets	\$ 15,917,908.07
Liabilities	9,765,233.06
Contingency reserve	\$ 950,000.00
Capital	1,000,000.00
Surplus	<u>4,202,675.01</u> \$ 6,152,675.01

LIFE AND CASUALTY
ÆTNA LIFE INSURANCE COMPANY
ÆTNA CASUALTY & SURETY COMPANY



FIRE AND MARINE
AUTOMOBILE INSURANCE COMPANY
STANDARD FIRE INSURANCE COMPANY

*The Ætina Life Affiliated Companies write practically every
form of insurance and bonding protection*

Decade of Progress

	From Dec. 31, 1940	To Dec. 31, 1950	Increase 10 Years
Total Insurance in Force...	\$39,358,885.00	\$94,514,550.00	140%
Admitted Assets	10,137,517.47	21,611,695.00	113%
Capital & Surplus	769,610.72	1,851,528.13	141%

30th ANNUAL STATEMENT

December 31, 1950

Assets

United States Government Bonds	\$ 9,792,347.78
Municipal and Other Bonds	6,579,819.40
Preferred Stocks	560,454.39
Real Estate Owned (Including Home Office Property)....	271,610.64
Real Estate Sold Under Contract.....	111,456.25
Mortgage Loans on Real Estate.....	2,190,509.85
Policy Liens and Loans	1,198,828.79
Cash in Banks.....	369,732.74
Interest Due and Accrued on Investments.....	103,625.20
Net Premiums in Course of Collection	420,586.36
All Other Assets	12,723.60

Total Assets

Liabilities

Legal Reserve on Outstanding Policies.....	\$18,001,117.00
Additional Policyholders' Funds	850,605.52
Reserve for Policy Claims (For Claims Reported but not yet completed)	31,138.00
Reserve for Taxes Payable 1951.....	47,913.36
Reserve for Interest and Premiums Paid in Advance.....	338,801.20
Reserve for Policy Dividends held on deposit and dividends payable in 1951	457,263.26
Reserve for Other Liabilities	33,328.53

Total Liabilities

SURPLUS FUNDS EXCLUSIVELY FOR PROTECTION OF POLICYHOLDERS:

Special Contingency Fund	100,000.00
Paid-in Capital Stock	200,000.00
Unassigned Surplus Funds	1,551,528.13

Total

Agency Opportunities in Kansas, Nebraska, Missouri and Texas

The VICTORY
Life Insurance Company
TOPEKA KANSAS

• Reserve Life Sales Team Chalks Up —

70% INCREASE IN FORCE

Records were shattered in 1950 when Reserve Life Insurance Company increased its life insurance in force 70 per cent! This outstanding performance is "proof positive" of a winning team: an alert, aggressive sales force, backed by a modern, cooperative Home Office organization.

If you're interested in a general agency contract with a fast-growing Company aiming for even bigger accomplishments in 1951, write to S. J. Gilbert, Vice President and Director of Life Agencies.

RESERVE LIFE INSURANCE COMPANY
HOME OFFICE: DALLAS, TEXAS

Topics Listed for Eastern Meeting of Actuaries' Society

The two-day eastern spring meeting of the Society of Actuaries will open March 29 at Hotel Commodore, New York City, with a business session and presentation of papers.

The informal discussion will cover the following topics:

I. War Problems

A. What are the problems to be considered in drafting war-aviation clauses?

B. What plans should be considered by the life insurance companies for mitigating the catastrophe hazard with respect to policyholders in the event of a major war?

C. What steps may be taken to minimize war disruptions of life insurance home office operations from manpower shortage?

II. Expense Rates and Office Methods

A. In view of improved mortality and increased costs of obtaining business, what types of changes, if any, have been made in: (1) Non-medical rules? (2) Schedules of remuneration of medical examiners? (3) Underwriting safeguards?

B. What changes have been made in recent years to expedite year-end valuation? What further changes are being considered?

(1) What recent innovations have been made in the use of punched card machines in life insurance calculations? (2) What recent progress has been made in reduction of expense and storage space through the use of microfilming?

D. What are the advantages of sales offices (with home office or central offices for collections) in comparison with combined sales and collection offices? Does the former method result in lower cost to the policyholder?

III. Group Insurance

A. To what extent is continuation of group protection for employees placed on leave of absence to enter the armed forces requested by employers or unions? How are such requests handled?

B. What approximate methods are in use for estimating group dividend liability at statement dates?

C. What problems are met in the underwriting of group hospital expense insurance on a basis which guarantees either the cost of semi-private accommodations or all charges for miscellaneous services, or both?

IV. Group Retirement Plans

A. What problems may arise in the future as a result of offering group annuity plans which permit the employer initially to choose his method of funding?

B. What considerations are involved in determining the minimum size for a group annuity contract of the deposit administration type?

C. Should insurance company proposals include cost estimates involving labor turnover rates, at the risk that the overstatement of turnover may result in a subsequent deficiency in the employer's fund?

V. General

A. What methods of measuring overall mortality experience have been adopted with the advent of the CSO tables?

B. (1) Are single premium annuity rates varying by state to reflect different state tax situations practicable? (2) To what situations in ordinary and group fields can the principle of assessing premium taxes directly be applied?

C. Are companies generally paying special settlement dividends on termina-

tions? What are the important considerations in determining whether or not such dividends should be paid in a given year?

D. (1) What classes of agents have been included under social security? (2) What basis have companies adopted for determining taxable income?

E. What conditions are affecting the advisability of additional companies entering these fields at present: (1) Disability income in connection with life policies? (2) Accident, health, hospitalization and medical insurance on an individual basis?

VI. The Actuary's Responsibility

A. Should the society appoint permanent standing committees or organize groups of its members to study particular phases of federal and state social insurance plans, to report their findings at convenient intervals, and to suggest what other actuaries might do to keep up to date with developments?

B. How can the Society of Actuaries be of greater usefulness to its younger members?

Pennsylvania Bill to Allow Higher A. & H. Benefits

A Pennsylvania senate bill to clarify the powers of limited lime companies, would let them increase from \$45 to \$55 the weekly benefits of A. & H. policies and allow an additional benefit for hospital and medical expenses for any one sickness or accident not exceeding \$150.

Other pending bills would require a receipted undertaker's bill or unpaid bill as a condition of settlement of industrial life policies and include industrial agents under the unemployment compensation laws.

A general hearing on all insurance legislation now before the senate insurance committee, open to all interested insurance people, has been scheduled for March 27. A number of departmental bills, containing what are described as "technical" changes in the insurance laws, are in the committee with the backing of the insurance department.

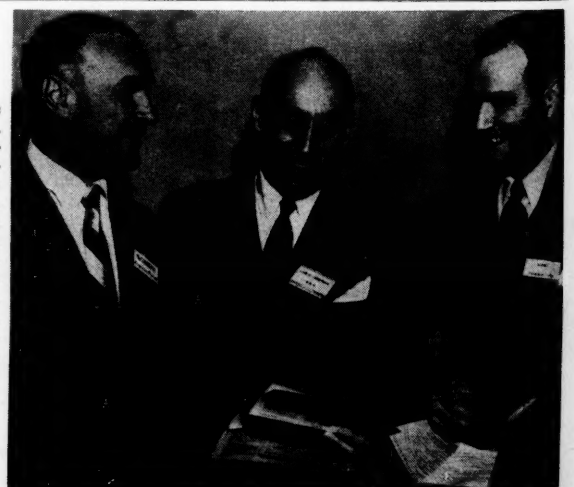
Want Explanation of Sub-Standard Rates in Ill.

A bill to require life companies or agents in Illinois to explain in writing and in detail the reasons why applicants must pay a higher-than-standard rate for life insurance has been introduced in the Illinois legislature.

Other insurance bills include the A. & H. model standard provisions bill recently approved by National Assn. of Insurance Commissioners, and three companion measures in the house, understood to be labor-sponsored, providing for the setting up of voluntary health service plans with the proviso that only 30% of the directors need be doctors.

Honor Hirsh Anniversaries

Field men of Sun Life of Baltimore helped Vice-president Jose L. Hirsh celebrate his 30th business anniversary and 25th wedding anniversary by reporting the largest single week's volume of business in the company's history.



Looking over the program at L. I. A. M. A.'s small companies spring conference held at Chicago are Harry S. McConachie, vice-president American Mutual; Charles J. Zimmerman, associate managing director L. I. A. M. A., and M. K. Kenny, general superintendent of agencies of Excelsior Life.

Insurance annual president of John A. Continence Phoenix 1st vice president with the California one of the underbu excessive Chase the Fed the Kennedy obtaining among insurance ticularly work is not been construct denounc gospel of cording Mr. baromet A frame L. D. C. Life of chairma years of

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Illinois Federation Votes in Fuller

Insurance Federation of Illinois at its annual meeting in Chicago elected as president Harry H. Fuller, special counsel of Zurich. The retiring president, John A. Henry, general attorney for the Continental companies, became chairman. Urban M. Lelli, secretary of the Phoenix-Connecticut group, was elected 1st vice-president, and Lillian L. Herring was reelected executive secretary and treasurer.

Principal speaker was Insurance Director Day of Illinois who opined that with the exception of Illinois, New York, California, Texas, Massachusetts, and one or two others, the insurance departments of the land are undermanned, underbudgeted, and often the victims of excessive turnover.

Chase M. Smith, general counsel of the Kemper companies, said that while the federation has been successful in obtaining a unity of legislative action among the diverse elements in the insurance business, it has not been particularly effective so far as its external work is concerned. The federation has not been advertised, it has organized no constructive campaign, reformed no sins, denounced no evils and promulgated no gospel other than that of resistance, according to Mr. Smith.

Mr. Henry was presented a desk barometer-thermometer for his services. A framed testimonial was presented to L. D. Cavanaugh, president of Federal Life of Chicago, who was retiring as chairman of the federation after many years of official service to it.

Zalinski Sees 213 Revision Task Two-Thirds Complete

E. L. G. Zalinski, executive vice-president of N.A.L.U. in a talk before a breakfast meeting of the Detroit Assn. of Life Underwriters, said that N.A.L.U. has accomplished its first two objectives in its drive to amend section 213 in the New York legislature. The first job was to highlight the inequities in the present law so that people would become conscious of the need for action. The second task he characterized as being that of selling the N.A.L.U. point of view to the companies so the industry could present a united viewpoint. Because the bill was introduced without opposition from the companies, the third job remaining is to sell the New York department on the value of making the changes recommended. He said that the fact that the New York superintendent of insurance cooperated with N.A.L.U. in getting the bill introduced for study augurs well for the future.

Mr. Zalinski had gone to Detroit from New Orleans where in a speech before the Estate Planning Council he cautioned against adopting a pessimistic attitude about inflation. In spite of many inflationary periods in the past, the production record, the national income, and the supply of consumer goods have increased steadily. He quoted economists who believe it is still possible for the economy to expand to the extent that Americans can live a third better than at the present time within five years. In terms of the dollar of 1940, he said that the national productivity for the first six months of 1950 was 57% greater than in 1940, the standard of living was 52% higher, disposable personal income after taxes was 55% more and funds set aside in personal savings were 111% greater.

Faulkner, Dunning to Be Headliners at A. & H. Rally

E. J. Faulkner, president of Woodmen Central, and J. D. Dunning, director of accident and sickness sales of New York Life, will be the main speakers at the opening session of Life Insurance Agency Management Assn.'s A. & H. spring meeting April 9-10 at

Chicago. Presiding will be Lyman C. Baldwin, chairman of the A. & H. committee and agency vice-president of Security Life & Accident.

Mr. Faulkner, who is also president of H. & A. Underwriters Conference, will present an over-all picture of the agency situation and tell how progress can be made in improving the combined operation of selling life and A. & H.

Mr. Dunning's speech, "A Strictly

Ordinary Company Contemplates A. & H.," will tell how New York Life entered the A. & H. field a few months ago.

The remainder of the two-day program will concentrate on general discussions in the form of panels and forums.

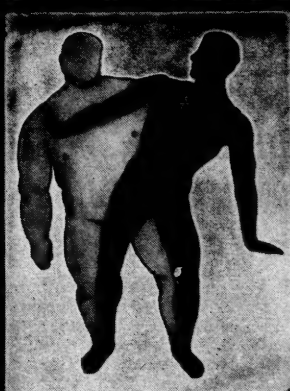
James McCaughey, for several years with Mutual Life as superintendent of

policy owners service, has been appointed director of the life insurance department of the Alexander Summer agency at Teaneck, N. J.

Start NSLI Payment April 2

WASHINGTON—The Veterans Administration has announced that payment of National Service Life dividend totaling \$685 million will begin April 2.

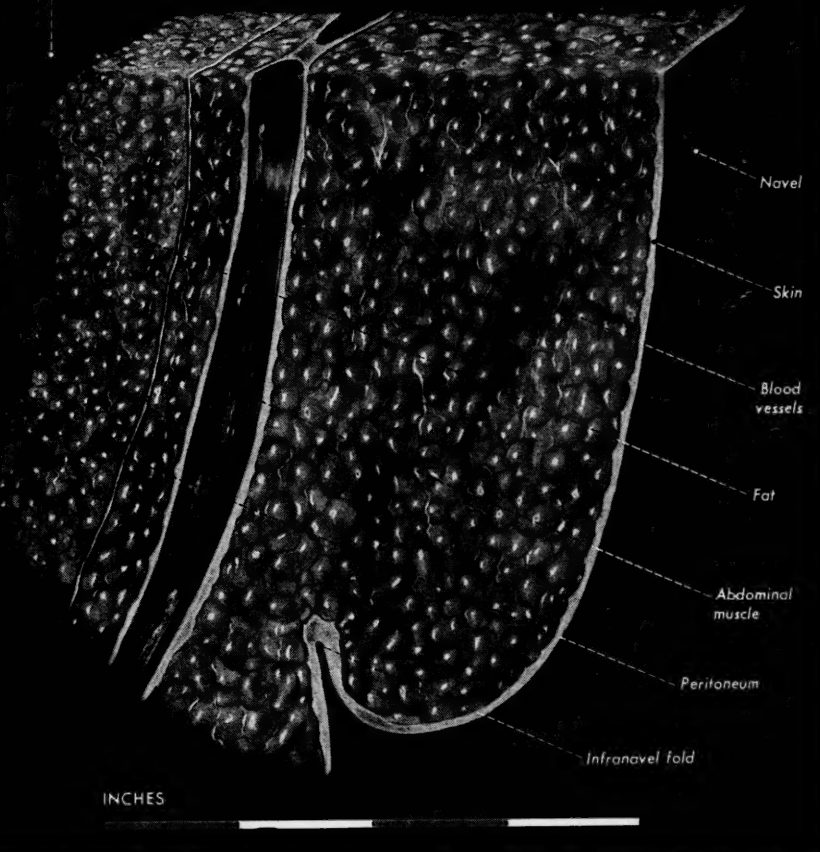
GERIATRICS: HELPING OLDER PEOPLE ENJOY LIFE LONGER



It has been aptly said that inside of every fat man is a thin man struggling to get out. Fat normally is present in many parts of the body and is vital to good health. But an excess accumulation of fat brings about a condition known as obesity. Prolonged obesity, besides being a burden on the individual, tends to impair the normal life span.

Small intestine

ABDOMINAL FAT in longitudinal section



Drawings by Jean E. Hirsch

Longer life for people past 40

Overweight comes from eating more food than the body needs—not from faulty glands, lack of exercise, family heredity, or the "settling down" of middle age.

Excessive weight—obesity—is a great shortener of human life. The same old heart, besides working harder to help carry those added pounds around, is called on to serve miles of extra blood vessels in the fatty tissue. Little wonder, then, that fat people are more than 1½ times as likely to develop fatal heart trouble as those of normal weight. Coronary heart disease, in fact, results in part from deposits of excess fat (cholesterol) which clog the blood vessels. Diabetes kills overweight persons 2½ times as often. Cancer prefers those with excess poundage. So does kidney trouble. Even accidents happen more often to fat people!

Obesity may well be the most pressing problem in American pre-

ventive medicine today. Fortunately, medical science has never before been so well equipped to help people attain—and retain—healthful weight. Your doctor can readily tell you what to do about your excess weight. His recommendations can help you find a formula for healthier, more energetic living.

Correction and prevention of many common disorders of later life, including obesity, are making great forward strides, thanks to geriatrics—the science of helping older people enjoy life longer. Of course, good health alone does not necessarily spell a comfortable and happy old age. Just as important to the enjoyment of those years is financial sol-

veny, based on a sound program of life insurance.

And because financial planning is vitally important to your future, it deserves the best advice you can find. Your NWNL agent has a strong personal interest in providing you exactly the right kind and amount of life insurance, measured by what you need and can afford, because he is paid not primarily for the amount he sells you but for the amount you keep in force. He can help you plan wisely for a financially comfortable future through life insurance.

FREE PAMPHLET: "Fat Can Be Fatal" tells of recent advances in prevention and treatment of obesity. Send for it.

NORTHWESTERN National LIFE

INSURANCE

Minneapolis



COMPANY

Minnesota

In keeping with a long tradition, NWNL's 66th Year-End Report as of December 31, 1950 was off the press the first week in January. A copy is yours for the asking.

Holgar Johnson Asks Figures from Companies' Year-End Statements Shown Business to Furnish Civil Servants

Holgar J. Johnson, president of Institute of Life Insurance, proposed before the Cleveland chamber of commerce that American business apprentice men for public service and make them available to the government when necessary, if the management of the huge national enterprise is to be put on a sound basis. He said that current investigations make it apparent that on the national, state and local levels the public service structure has been weakened through lack of qualified people. He opined that what is needed is a backlog of qualified men from the ranks of business management ready and willing to serve when called upon. He said that the techniques of management which have made American business so effective are equally applicable to government service. He warned that business cannot afford to stay aloof of such matters as the quality of leadership in public office is poor.

John L. Berry, manager of North Carolina Mutual Life at Baltimore, testified at Washington before a Senate

	Total Assets	Increase in Assets	Surplus to Policyholders	New Bus. 1950	Ins. in Force Dec. 31, 1950	Increase in Ins. in Force	Prem. Income 1950	Benefits Paid 1950	Total Disburs. 1950
Cosmopolitan Life, Tenn.	3,334,710	540,245	1,399,377	11,873,022	40,007,146	3,666,756	1,216,368	205,059	775,963
Employers Life, Ala.	350,246	28,970	116,453	3,844,469	15,311,397	2,418,753	512,552	343,626	483,361
Gen. American, St. Louis	182,685,167	5,119,202	5,095,779	247,139,747	1,212,849,895	156,492,855	24,285,494	19,964,263	29,257,214
Independent Life, Md.	2,682,984	159,804	788,011	5,898,744	15,245,366	1,906,946	582,898	216,967	559,583
National Life, Canada	24,665,632	1,498,357	1,392,335	15,183,442	122,525,078	6,430,854	2,676,877	1,321,219	2,614,686
N. Y. Savings Bank Life	20,437,307	3,909,630	683,426	22,153,091	172,869,720	16,651,585	5,446,218	1,392,922	1,867,190
Palmetto State Life	4,136,783	466,022	795,000	20,178,158	38,447,513	1,893,228	1,602,415	405,949	1,671,175
Peninsular Life	18,480,858	2,914,754	3,349,776	32,445,465	140,514,636	12,058,305	4,854,946	972,732	4,097,884
Peoples Life, Wash., D. C.	60,257,493	6,555,302	2,910,623	99,747,729	428,311,512	29,268,343	14,379,974	3,317,270	11,441,450
Rural Life, Dallas	2,887,256	550,475	244,557	3,810,525	28,015,533	1,668,713	833,887	180,538	340,271
South Coast Life, Tex.	1,487,720	343,483	58,275	3,447,381	13,706,069	1,767,278	420,175	75,028	340,271
Southland Life, Tex.	138,902,763	50,589,442	2,700,090	305,923,216	661,996,281	259,587,367	12,646,923	5,509,870	20,539,271
Texas Prudential	18,634,840	1,865,392	2,683,250	59,238,498	160,075,022	11,230,649	4,816,391	1,063,644	3,923,118
Union Life, Va.	9,959,144	1,216,427	2,585,461	28,224,917	71,881,852	3,780,488	3,494,474	931,713	3,147,000
United American, Col.	3,872,813	834,772	550,356	6,512,288	30,120,221	4,668,551	1,038,537	146,684	648,314
FRATERNAL									
Royal League, Ill.	5,285,294	16,962	13,689	442,500	11,912,654	544,952	373,347	420,006	573,196

subcommittee investigating the Maryland Senatorial election that he had authorized use of his name as a sponsor of a pamphlet entitled "Back to Good Old Dixie," a Republican campaign circular. However, he said he did not authorize use of his company's name.

National Security Life of Longview, Tex., will increase its capital to \$100,000 and its surplus to \$50,000.

Equitable, Ia., Finds Recruiting College Men Worth While

Equitable of Iowa will continue its college recruiting activities despite the draft. E. E. Cooper, assistant agency vice-president in charge of agent recruiting, told Indianapolis General Agents & Managers Assn. at a dinner meeting. He reported that the company is finding many who are graduating from college this June are exempt from the draft as veterans or are unacceptable because of some minor disability.

Mr. Cooper said the company's experience in college recruiting has strengthened its faith in the possibilities as agent material of men just out of school, contrary to the generally-held impression that such recruits do not make good sales material.

Question of Manager's Ability

"Some general agents and managers are not capable of training the college man because of their own age or a lack of interest for this particular job; but the complaint that college men do not make good agents until after they have been out of school 10 years or so is an indication of the inability of the general agent or manager to handle them rather than of the inability of the young men themselves," Mr. Cooper asserted.

College recruiting necessitates a salary arrangement, he said, and also calls for a definite sales plan which will enable young men to prospect in older age groups on a favorable basis. There must also be a definite program of education, supervision and on-the-job coaching.

Results of Program Reviewed

Mr. Cooper reported that in June, 1949, Equitable recruited 63 men direct from the campus after graduation. The group paid for \$2,917,626 the rest of the year.

As of Jan. 1, 1950, 50 of the original 63 were still with the company, although some "fell by the wayside during the year or were taken into or recalled to military service." Those who remained paid for \$4,731,053 in 1950. Jan. 1, 1951, 28 of the original 63, or 44% were still in the business.

In 1950, Equitable recruited 44 young men direct from college. During the rest of the year, they paid for \$2,062,733; and 36 were still in the business at the end of the year. Since then 13 have been drafted or recalled for service.

Mr. Cooper believes that the great majority of those men lost to military service will return to the company after being released from active duty, if its experience with drafted agents in the last war repeats itself.

As to recruiting methods, his experience indicates that the desirable way to contact young men is through the placement bureau of their own school. "It is also necessary," he stated, "to take considerable time going over our program of selecting, training, and financing with the placement bureau personnel so they will understand the

type of men we are looking for. We must not expect the placement bureau to do all the work."

When it comes to talking to the students themselves, Mr. Cooper advised giving every man contacted sufficient time even when not interested in hiring him. "The result of his tests should be explained to him and his vocational interests analyzed so he will understand that he very probably would not be happy in the business. This is a wonderful opportunity to do a good job of public relations."

Butler University insurance club members were guests at the meeting. The club is made up of juniors and seniors majoring in Butler's internship plan of training for life insurance. Various members of the managers' group offer working scholarships to life insurance majors of the university.

Give Speakers for Managers, L.U.T.C. at N.A.L.U. Midyear

The program for the general agents and managers session and dinner at the mid-year meeting of National Assn. of Life Underwriters at Minneapolis has been announced by W. Thomas Craig, Aetna Life, Los Angeles, chairman of the general agents and managers committee.

At the session the afternoon of April 3, William H. Nicholls, Jr., general agent for Penn Mutual at Grand Rapids, will discuss "A Pattern for Agency Growth," and Coy G. Eklund, manager for Equitable Society at Detroit, will speak on "Building from Scratch."

At 6:00 p.m. General Agents & Managers Assn. of Minneapolis will be host at a cocktail party. J. Harry Wood, president of Central Life of Illinois will be the dinner speaker.

Life Underwriter Training Council will conduct a luncheon meeting April 4, along the line of the one held at the annual meeting of N.A.L.U. at Washington last fall, which was so successful. Invitations have been extended to many life insurance leaders, including Commissioner Harris of Minnesota and the presidents of local companies.

Featured speaker will be Dr. Harold H. Maynard, chairman of the department of business organization of Ohio State University, on "A Marketing Man Looks at Life Insurance Training."

Francis on Real Estate Panel

Waldo E. Francis, assistant treasurer of Pan-American Life will be a member of the discussion panel of the south central regional appraisal conference of the American Institute of Real Estate Appraisers to be held in Kansas City March 30-31. The chief topic will be the effect of current war conditions on real estate market and valuation problems. Mr. Francis is a senior member of the Society of Residential Appraisers, and as a member of the American Institute of Real Estate Appraisers, served as field director in the institute's case study courses at the Tulane University school of commerce.

How Firm a Foundation?

A GOOD LIFE INSURANCE program will sustain the family if the insured dies. The insured will sustain the program and the family if he keeps his health.

But who sustains the family, and the program, and the insured when the policyholder is disabled?

Income Disability insurance, of course! A life insurance program is only as strong as its disability provisions.

That's why Occidental will write up to \$350 a month Income Disability insurance in a life policy and make disability payments until the insured recovers, matures his policy or dies. We write it on Term plans, too.

Occidental Life
INSURANCE COMPANY OF CALIFORNIA
W. B. STANNARD, Vice President



...a Star in the West

"WE PAY AGENTS LIFETIME REMUNERALS... THEY LAST AS LONG AS YOU DO"

To Seek Conference on SS Integration

NEW YORK—Members of Life Insurance Assn. of America's committee on federal taxes met here Tuesday with Nathaniel H. Seefurth, Northwestern Mutual, Chicago, chairman of the National Assn. of Life Underwriters federal law and legislation committee, and Carlyle Dunaway, N.A.L.U. counsel, to discuss how best to avert the Treasury's issuance of integration regulations that would discriminate against pension trusts based on individual retirement annuity or life insurance policies.

L.I.A. will seek a conference with Treasury officials at which an effort will be made to reach an agreement on regulations that will not be discriminatory.

It had appeared that the Treasury was about to issue rulings without holding hearings.

SS Administration Sets a Comprehensive Contributory System as Its First Goal

WASHINGTON—The annual report of the social security administration recommends "a comprehensive, basic national system of contributory social insurance as the first goal." Also "complete coverage of all gainful workers, protection of income loss in periods of sickness and disability, social insurance against the costs of medical care."

The report shows that OASI benefits were paid to nearly 3 million persons in the sum of \$749 million during fiscal year ending June 30, 1950. Commenting on the 1950 social security amendments, the report says:

"The amendments will make it possible for a substantial number of persons now approaching or beyond age 65 to qualify for insurance benefits either immediately or within a very short time. Undoubtedly these changes will help reduce the number of aged persons who must rely on old age assistance for support. The discussions and debate on the amendments gave evidence of a growing conviction that contributory social insurance must remain the foundation of social security in this country."

Answering the question "what can be done," to fill certain gaps in coverage, the report says among other things that the business community should "take the lead in pointing up inadequacies in existing programs such as state unemployment compensation, state workmen's compensation, and press for the increase of protection either through voluntary means or, where necessary, compulsory means against the risks of loss of income due to temporary illness."

Federal Security Administrator Ewing in an official statement has pointed out that at least 100,000 persons who became eligible for old-age insurance benefits in September under the 1950 amendments to the social security law will lose their rights to benefits under that law for September unless they claim payment before the end of March.

Union Central Names Two

Union Central has appointed F. DuVal Shepherd manager at Richmond

Mr. Shepherd entered life insurance immediately following his graduation from University of Richmond. His education there was interrupted by three years in the navy. He has been a leading producer of Atlantic Life.

Mr. Shafer has represented Union Central at Elmira since early in 1949. He served in the army air force.

A. B. Slattengren Honored

A. B. Slattengren, director of Mutual Trust Life and former agency vice-president, was honored by the agency department executives at a luncheon

on his 80th birthday Wednesday. His desk was adorned with flowers, the gift of the clerical employees of the department. Many agents sent him birthday cards with applications for new business written in his honor.

United American Issues New Monthly Publication

United American Life has brought out the first issue of its new monthly publication, called the "Empire Builder." The name is the same used for a booklet published several years ago and was

adjudged better for the company's purposes than any of those submitted in the prize contest held to elicit names for the new paper. "United American Life Lines" won the prize offered. It was submitted by General Agent E. B. Cass of Grand Junction, Co.

The new publication is printed on glossy paper, with illustrations. There are messages from President C. E. Lien and Vice-president G. A. L'Estrange.

New York Life has lent Consumers Gas Co. of Detroit Lakes, Minn., \$500,000 on a note due in 1965.

NOW...Get all the facts about Sterling's Great New AGENCY CO-OP PLAN

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F. D. Shepherd



T. H. Shafer

Va., and Thomas H. Shafer manager at Elmira, N. Y.

Illinois 1950 Results Given

All figures are for ordinary unless designated (G) for group or (I) for industrial. New business figures include business revived and increased as well as new business paid-for.

ILLINOIS COMPANIES

	New Business	In Force
Amal. Life	24,500	61,750
(G)	1,032,500	11,494,000
Bankers L. & C.	7,674,580	21,912,781
(G)	1,946,500	2,236,000
(I)	1,777,252	2,111,339
Bankers Mutual	1,943,301	12,278,645
Ben. Assn. Ry. Emp.	1,390,503	2,807,484
Central Life	3,984,493	34,301,987
(G)	71,000	196,500
(I)	798,300	925,725
Continental	21,276,443	126,724,922
(G)	70,045,374	180,074,272
Country Life	55,740,979	432,660,015
(G)	1,281,250	3,846,500
Federal Life	9,590,405	54,141,206
(G)	1,384,000	5,363,600
(I)	1,602	1,602
Franklin Life	20,176,616	107,640,238
Globe Life	2,033,283	32,239,084
(I)	1,679	1,942,851
Great Lakes	2,248,705	5,480,881
(G)	4,742,423	3,782,534
Horace Mann	588,400	588,400
Illinois Bankers	3,305,530	51,929,642
(I)	668,202	1,210,261

	New Business	In Force
Jackson Mutual	379,000	1,014,452
(G)	61,500	136,000
(I)	6,426,913	10,120,017
Metropol. Mut. Assur.	515,000	1,362,500
(I)	23,687,750	54,642,680
Mut. Local 134 (G)	1,069,000	23,288,000
Mutual Trust	4,894,025	55,688,955
North Amer. Acc.	1,328,145	3,615,234
(G)	162,000	226,000
North Amer. Life	3,885,101	28,312,855
(G)	336,000	336,000
Old Rep. Credit	13,667,591	17,624,036
(G)	1,366,417	773,067
Reliance Mutual	2,519,683	7,990,031
(I)	86,770	16,772,350
Rockford Life	1,624,325	25,118,857
(I)	1,050,619	11,109,736
State Farm	10,748,348	43,031,438
(G)	489,186	1,253,483
Sterling	6,450,342	25,399,368
(G)	313,500	579,500
Supreme Liberty	1,587,181	8,669,040
(G)	289,618	529,450
(I)	7,139,004	24,012,030
United	1,794,000	3,309,692
(G)	66,000	1,176,000
(I)	9,880,475	22,356,569
Victory Mutual	315,092	2,808,289
(I)	496	32,006,963
Washington Natl.	3,265,295	7,916,236
(G)	7,916,236	27,640,213
(I)	6,740,301	24,340,740
Western Mutual	700,930	3,903,675

OTHER STATE COMPANIES

Acacia Mutual	6,110,941	60,458,400
Aetna Life	15,117,401	151,884,236
(G)	161,838,946	533,469,085
American H. & L.	345,749	672,395
(G)	91,000	150,000

	New Business	In Force
American Mutual	1,396,655	11,868,138
(G)	9,000	33,500
American National	7,731,261	29,559,286
(I)	6,052,959	36,553,155
Amer. Stand., D. C.	563,699	563,699
(G)	1,391,983	1,765,000
American United	1,991,983	20,954,594
Atlanta Life	11,000	11,000
(I)	700,500	595,543
Bankers, Iowa	8,127,902	110,439,358
(G)	7,611,567	42,355,141
Bankers, Nebr.	3,110,960	15,162,442
B'nk'r's Sec., N. Y. (G) ..	2,448,227	1,462,787
Bene. Stand., Cal.	158,477	194,364
Berkshire	2,112,536	20,224,932
Business Men's	4,551,808	16,922,913
(G)	9,000	9,000
Central, Iowa	3,013,521	30,548,938
College Life	1,552,520	3,119,500
Columbian Natl.	2,354,550	16,825,206
(G)	228,979	698,313
Columbus Mutual	681,532	10,917,861
Commonw'th L. & A.	1,501,961	1,377,589
(I)	2,000	2,000
Conn. General	15,194,038	15,496,494
(G)	11,342,616	87,931,333
Conn. Mutual	28,180,334	99,557,582
Credit Life	22,360,910	166,884,291
Equitable Society	1,739,687	1,003,147
(G)	58,800,247	652,021,104
(I)	263,214,107	565,750,777
Equitable, Iowa	11,066,170	119,904,119
Expressmen's Mut.	156,823	4,718,283
Farmers, Iowa	1,463,202	1,463,202
Federal L. & C.	21,000	819,914
Fidelity H. & A.	72,596	118,203
Fidelity Mutual	5,326,057	33,773,155
General American	3,297,400	29,478,758
(G)	30,701,561	60,164,305
Girard, Texas	65,000	1,753,777
Golden State Mut.	640,004	1,815,451
(I)	2,224,202	3,704,987
Guarantee Mutual	1,472,826	18,142,082
Guarantee Reserve	798,209	1,298,292
Guardian, N. Y.	4,009,558	33,640,885
Home, N. Y.	5,208,143	53,795,235
(G)	238,500	238,500
Homesteaders	49,586	98,791
Indianapolis	2,988,821	37,148,012
Inter-Ocean	1,000	417,840
(I)	962,446	962,446
Jefferson Nat.	3,038,000	8,027,444
Jefferson Stand.	1,762,128	5,730,412
John Hancock	59,712,114	442,896,560
(G)	24,010,191	169,077,380
(I)	17,016,520	142,478,691
Kansas City	2,240,889	24,026,695
Lafayette, Ind.	636,945	4,861,263
Life of Va.	665,147	3,410,124
(G)	1,379,285	1,379,285
Lincoln Mut., Neb.	19,290	33,676
Lincoln National	38,003,339	250,841,743
(G)	11,531,000	27,691,300
Loyal Protective	369,116	819,820
Lutheran Mutual	3,359,989	25,206,593
Mammoth L. & A.	257,500	219,000
(I)	4,284,890	2,663,399
Manhattan, N. Y.	1,355,392	7,703,414
(G)	220,000	220,000
Mass. Mutual	26,503,601	248,249,508
(G)	6,981,396	14,371,683
Metropolitan	143,617,993	1,775,510,831
(G)	138,499,242	945,990,001
(I)	73,333,287	876,243,598
Michigan Life	25,475	117,275
Midland Mutual	1,063,003	10,414,882
Minn. Mutual	3,993,531	27,741,480
(G)	1,564,900	3,573,300
Missouri	2,815,987	9,985,019
(G)	131,500	185,000
(I)	6,741,217	10,942,558
Monarch, Mass.	2,108,764	7,747,765
Monumental, Md.	5,251,250	40,123,811
(I)	6,275,240	41,535,966
Mutual Benefit, N. J.	21,698,324	231,028,571
Mutual, N. Y.	18,583,763	347,565,491
National Home, Mo.	36,650	36,650
National L. & A.	7,249,391	40,437,581
(G)	751,100	1,969,800
(I)	23,986,349	88,214,233
National, Iowa	369,975	6,695,373
National, Vt.	9,758,278	68,789,160
Natl. Travelers	4,000	4,000
New England Mut.	23,935,656	256,420,273
New York Life	71,468,199	915,533,094
North Amer. L. & C.	641,626	54,871,291
North American Re.	1,821,100	10,938,900
Northern, Wash.	390,740	1,412,256
N. W. Mutual	43,964,564	625,337,425
N. W. National	7,935,200	70,617,729
(G)	5,748,500	13,072,542
Occidental, Cal.	14,626,589	59,256,239
(G)	19,745,068	46,109,344
Ohio National	6,935,093	28,018,789
Ohio State Life	776,507	7,621,044
Old Line, Wis.	1,138,375	9,253,136
Pacific Mutual	5,632,975	54,871,291
(G)	1,736,000	2,004,000
Pan-American	1,197,634	6,553,540
(G)	8,000	195,000
Paul Revere	2,148,855	14,841,295
(G)	199,000	250,000
Penn Mutual	19,416,558	240,402,747
Peoples, Ind.	896,633	6,731,577
(G)	90,900	246,600
Philadelphia	1,184,196	4,859,328
Phoenix Mutual	5,875,881	69,235,191
Postal L. & C. Mo.	153,500	1,620,334
Presbyterian Minn.	698,811	6,882,621
Provident L. & A.	468,500	2,412,274
(G)	4,491,500	9,120,000
Provident Mut.	8,298,618	69,839,875
Prudential	158,559,558	1,574,107,796
(G)	70,260,364	289,052,551
(I)	57,813,522	662,437,535
Quaker City, Pa.	5,089,186	4,017,471
Reliance, Pa.	3,017,569	28,407,714
Republic Natl.	4,353,690	40,182,201
(G)	217,000	614,500
Reserve, Texas	32,500	45,606
(I)	1,406	4,596
Security Ben., Kan.	1,141,973	5,992,784

	New Business	In Force
Security Mut., N. Y.	545,830	4,933,532
(G)	132,500	607,000
Service, Neb.	269,813	3,683,000
Standard, Pa.	11,566	106,877
Standard, Ind.	339,865	1,273,940
State Life, Ind.	172,250	4,498,242
State Mutual	11,083,765	85,712,211
(G)	7,341,968	12,316,645
Illinois 1950 Results Given ..		
Sun Life, Md.	2,476,024	10,141,831
(I)	4,746,864	18,745,595
Superior, Pa.	329,028	271,437
Travelers	21,042,104	278,901,386
(G)	123,659,985	629,342,301
Union Central	8,540,557	84,664,048
(G)	1,417,514	1,357,570
Union Labor	106,871	1,424,998
(G)	12,685,627	19,059,350
Union Mutual	982,938	6,564,301
(G)	38,500	73,500
United Benefit, Neb.	11,318,496	46,730,423
U. S. Life	568,129	3,564,408
(G)	89,163,119	103,942,410
Western & Southern	18,416,729	154,939,943
(I)	686,700	2,438,000
(G)	15,440,939	143,187,589
Wisconsin Natl.	1,336,225	10,130,310
Woodmen Cent. Assur.	43,121	185,918
Woodmen Cent. Life	565,245	2,331,132
World, Neb.	2,010,745	6,567,786
(G)	15,000	141,000

CANADIAN COMPANIES

Canada Life	677,878	12,797,566
(G)	1,376,300	3,323,300
Great-West	14,992,847	98,408,106
(G)	3,776,000	33,394,820
Manufacturers	4,287,500	23,384,302
San, Canada	7,546,733	83,700,393
(G)	10,013,122	34,653,072
Total Ord., '50.	1,223,477,798	11,565,564,357

Proudly Presenting

The 40th Annual Statement

OF

THE FARMERS & BANKERS LIFE INSURANCE COMPANY

SHOWING CONDITION AS OF DECEMBER 31, 1950

OUR PROGRESS LAST YEAR

The Farmers & Bankers Life Insurance Company is pleased to report the excellent progress made during the year of 1950. Our assets showed a very substantial gain of over two million dollars. At the end of the year our insurance in force reached a total of \$113,132,531.00 which represents a steady gain over the previous years.

During 1950 we entered the Health and Accident Insurance field. We now offer a comprehensive line of Accident, Health and Hospitalization insurance to our clients. The same financial strength which backs up our life insurance policies also stands behind each Health and Accident and Hospitalization policy issued.

ASSETS	
Cash in Bank	\$ 289,478.42
Bonds	7,327,505.35
U. S. Government	\$5,300,259.37
State, County, Municipal	1,496,889.86
Public Utility and Industrial	530,356.12
Stocks	1,681,071.00
Real Estate Owned	794,521.08
Home Office Property	680,000.00
For Investment Purposes	108,754.73
R. E. Sales Contracts	5,766.35
First Mortgage Loans	16,707,275.38
322 Farm Properties	1,303,732.27
City Properties	13,984,596.00
Conventional	1,418,947.11
364 F. H. A. & Veterans	1,591,197.73
Loans Secured by Legal Reserves on Policies	160,873.22
Interest Due and Accrued	
Net Premiums in Process of Collection	477,419.96
Total Admitted Assets	\$29,029,342.14

TRAINING PROGRAM

NEW GENERAL AGENTS

During last year the Company inaugurated a complete Training Program for New General Agents. This program includes up to three months of intensive training in the Home Office and covers such fields as (1) up-to-date life insurance selling methods, (2) recruiting of new men, (3) financing of new men, (4) training of new men. By the time the New General Agent has completed his training program, he has drawn up a complete set of plans and objectives for his territory for the first five years. This training is on an individual basis and the New General Agent is paid a salary while he is in training. We have some excellent General Agent's territory available in the Middle West.

LIABILITIES	
Legal Reserve on Policies.....	\$24,386,572.04
Reserve for unrealized Profit on Stocks	54,436.50
Reserve to Provide for Fluctuation of Mortality and Market Value of Assets.....	1,079,487.27
Credits to Policyowners Left with Company on Deposit at Interest	951,218.73
Reserve for Taxes.....	96,000.00
Death Claims Due and Unpaid	None
Death Claims Reported but Proof Not Completed on or before Dec. 31, 1950.....	54,018.37
Premiums and Interest Paid in Advance	516,252.86
Special Funds Payable to Policy- owners in 1951.....	9,014.16
All Other Liabilities.....	32,342.21
Capital	1,000,000.00
Surplus	850,000.00
Total Liabilities	\$29,029,342.14

In Force	New Business	In Force
4,932,552	Total Group, '50...1,123,413,021	3,939,389,375
607,000	Total Ind., '50.... 303,612,873	2,215,421,739
3,682,068		
100,877	Total All Lines, '50.2,650,503,692	17,720,375,471
1,273,940	Total Ord., '49...1,159,303,332	10,842,519,383
6,498,242	Total Group, '49 925,717,472	3,227,337,901
85,712,211	Total Ind., '49... 262,036,812	2,134,386,043
12,316,642	Total All Lines, '49.2,347,057,616	16,204,243,327

ILLINOIS FRATERNALS

Catholic Knights...	252,700	4,324,036
Catholic Or. Foresters...	1,516,725	25,010,137
Concordia Mutual...	1,034,544	12,282,246
Cuneo Assn.	60,650	629,700
Czechoslovak Soc...	753,866	13,995,692
Fidelity Life Assn...	1,760,989	25,952,954
Fireman's Mut. Aid	192,000	6,107,354
Grand Carniolian...	3,453,050	7,875,480
Hibernian Life	4,400	604,435
Holy Family Soc...	22,300	526,550
Order of Svithiod...	316,113	4,973,131
Order of Vikings...	223,350	2,800,301
Isalo Amer. Union...	137,050	2,887,632
Modern Woodmen...	7,722,046	78,343,695
Mut. Ben. & Aid...	185,224	2,721,907
No. Am. Union Life	98,000	7,385,901
Sons of Italy	74,800	1,099,200
Polish Alma Mater...	150,250	3,578,810
Polish Alliance	4,419,864	46,477,924
Polish Rom'n Cath. Un.	2,264,230	26,189,266
Polish Women's All...	457,700	11,224,997
Pullman Porter's ...	23,000	1,007,460
Royal League	294,500	8,007,489
Royal Neighbors ...	4,883,283	89,630,649
Russian Ind. Mut. Aid	25,750	808,823
Slovene Natl.	278,750	6,156,180
United Polish Women	71,600	2,163,186
Czech Ladies & Men	44,250	3,320,152
Utility Employees...	234,800	1,366,800
Western Catholic Un.	234,370	6,361,185
Women's Cath. Foresters	689,757	16,970,260

OTHER STATE FRATERNALS

Aid Assn. Lutherans	8,371,611	59,240,855
Am. Frat. Un., Minn.	55,950	1,357,007
Am. Woodmen, Colo.	151,526	904,161
Lith'nian Wr'kers, N. Y.	12,900	901,450
Ben Hur Life	690,671	12,257,056
Cath. Cent. Un., Mo.	41,400	1,493,518
Catholic Knights ...	56,032	1,034,068
Croatian Cath. Un., Ind.	41,050	1,074,600
Croatian Fraternian	441,173	10,598,200
Czech Cath. Union...	76,500	1,982,533
Danish Brotherhood	9,375	635,000
Degree Honor Prot.	117,523	1,398,482
Equitable Reserve...	534,090	3,554,226
Farband-Labor Zionist	81,121	738,889
First Cath Slov'k Ladies	555,500	7,232,656
First Cath. Slovak.	292,383	5,411,146
Gleaner Life	497,243	6,161,027
Greater Ben. Union...	199,000	2,411,650
Greek Cath. Un....	20,210	905,542
Hungarian Reform...	85,850	972,103
Int. Workers Order	634,700	8,621,725
Knights of Columbus	2,735,267	37,839,676
Ladies' Cath. Benev.	1,595,001	6,269,575
Lithuanian Alliance	342,518	1,606,628
Lithuanian Rom. Cath.	257,550	973,413
St. Jean Baptiste ...	20,225	685,193
Lutheran Br'therhood	2,776,294	16,301,984
Maccabees	320,842	7,122,895
National Mut. Ben.	162,667	674,093
Natl. Slov'k Society	100,871	2,529,682
Royal Clan, Scottish	12,750	627,819
Polish Union, N. Y.	50,700	50,700
Polish Union, Pa.	51,914	2,329,847
Prot. Home Circle...	204,000	1,767,984
Rako Czi Aid	127,200	582,150
Royal Arcanum	398,910	5,385,096
Slovak Evangelical...	15,860	810,992
Slovak Cath. Sokol...	113,750	1,947,000
Slovak Gymnastic...	36,750	2,173,715
Sons of Norway	45,744	855,724
Standard Life, Kans.	268,635	1,533,813
Ukrainian National...	1,318,088	3,617,217
Ukrainian W'kingm'n's	144,514	825,052
Unity L. & A., N. Y.	280,843	682,247
Verhovay, Pa.	290,140	3,133,955
Western Bohemian...	176,031	3,788,406
Women's Ben., Mich.	259,566	9,810,606
Woodmen Circle, Neb.	353,011	4,233,067
W'dm'n of W'rid., Neb.	1,258,300	13,335,545
Workmen's Ben. Fund	55,330	1,177,255
Workmen's Circle...	44,200	609,850
Ord. of Foresters, Can.	355,337	3,977,233
Amer. Life, Conn...	143,600	815,548
Polish Natl. Un., Pa.	276,259	1,649,819

Total Fraternals. 59,014,833 690,231,458

ASSESSMENT COMPANIES

Acme	281,877	1,637,497
Amer. Continental...	65,500	214,500
American Life	141,320	392,319
Central National...	143,354	214,954
Colonial Life H. & A.	435,245	1,625,436
Commercial Life ...	143,680	625,928
Crown Life	751,492	5,412,905
Diamond Life	68,810	521,175
Employees Life	112,930	565,054
Family Protective...	398,351	3,586,234
Golden Rule	135,020	489,970
Great States Life...	1,395,981	10,773,477
Guarantee Trust ...	733,580	2,582,862
Ill. Secur. Life	58,648	140,942
Interstate Res.	201,500	3,332,735
Majestic Life	873,518	712,483
Marquette Life	2,784	365,749
Municipal	369,233	1,978,426
Northern Life	1,442,550	8,687,179
Peerless Life	448,652	367,596
Pilgrim National ...	752,787	3,206,180
Pioneer Life	867,581	8,112,421
Prudence Life	4,317,240	3,022,358
Public Life	79,415	407,834
Union Life	1,291,108	15,096,105
Unity Mutual	10,763,288	14,688,413
Western Life, Mo.	657,083	2,987,975

Total Assessment Cos. 26,832,537 91,748,707
Grand Total 2,736,351,062 18,502,356,636

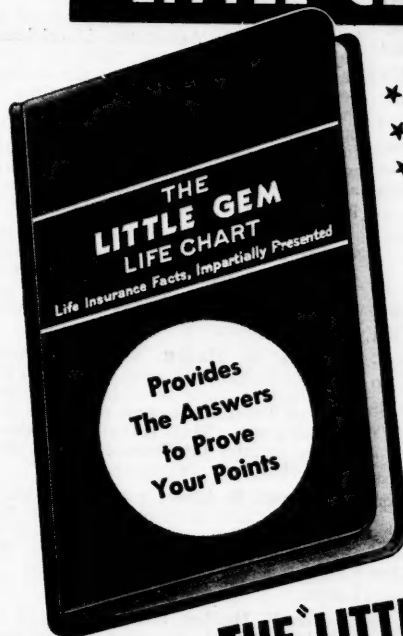
Southwestern Life has adopted a revised plan of retirement for members of the agency force.

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The NATIONAL UNDERWRITER CO.

EDITORIAL COMMENT

Rendering Controversy Constructive

As in any other human institution, there is plenty of controversy in the insurance business between men with differing points of view. Controversy is unavoidable, is inherent in society and is a part of life. But the very fact that violent controversies can prove so damaging within organizations and companies is proof that controversy is not accepted as a part of life by many people. Differences of opinion would not invoke such violent and emotional reactions as they sometimes do if controversy were accepted as really one of those inevitabilities, such as unpleasant weather or the darkness of nights.

Pluralism, the idea that each person is unique and has a right to express this uniqueness, is the essence of the democratic concept. It is assumed in a democracy that people are different and procedures are established that will draw the strength from these differences, strength through constructive controversy.

It would seem, therefore, that healthy differences of opinion should be fostered, but that harmful excesses of emotion should be avoided if anything but hard feeling is to emerge. Too often excessively heated controversies go beyond mere expression of natural differences between men or groups of men and reflect something more dangerous such as the psychological needs of individuals or groups for attention or recognition or the need to express hostility, or the need for excitement. Where controversy is based on such irrational grounds and the more important causes of conflicts are psychotic rather than any real differences over issues, cooler heads should strive to understand the issues and to direct the solution.

An important step to making controversy creative would seem to be acceptance of it as both inevitable and desirable. Next, the causes of controversy should be determined, understood and dealt with. Many heated controversies are over little things, carried on at superficial levels. They can arise over semantic differences, over mere lack of agreement among people as to the meaning of words. Disagreements can often be traced back to a difference in sources of information of those in conflict. Where these differences remain unrecognized, the parties frequently go on debating as if they were proceeding from the same facts.

Differences in information shouldn't present real difficulties when the par-

ticipants are skeptical and objective about information. It is where somebody feels he has a private pipeline to the truth or where his prejudice prevents him from accepting facts that differences cannot be resolved. In this same area, one frequently finds failure to distinguish between matters of fact and matters of opinion. It is generally recognized that everyone has a right to his own opinion and it is not too disturbing when opposing opinions are expressed, so long as they are recognized as such, but it is when either party treats an opinion, his own or his opponent's, as if it were a fact that the trouble is born.

It is important that some common general goal should be agreed upon in a controversy to make it constructive. Disagreement as to the end goals effectively destroys the chance of a constructive solution, though sub-goals may differ without destroying this possibility.

Malcolm S. Knowles, executive secretary of the Central Y.M.C.A. in Chicago, an adult education specialist who has made a long special study of controversies between individuals and within organizations, maintains that a great disservice to constructive controversy has been rendered by the widespread abuse of parliamentary procedure. He feels that the idea has grown up that the only way to resolve a disagreement is to take a vote. This, he points out, has the effect of finalizing the split. The majority wins and the minority loses and the real issue has not been solved; the fundamental nature of the disagreement has not been changed.

He has found that it often helps to clear thinking in the middle of a heated controversy if time is taken out to list the possible solutions, much as follows:

By one side having the power to enforce its will on the other. This is really what happens under parliamentary procedure.

By both sides agreeing to drop or "table" the matter. This is an escape feature that leaves the problem unsolved.

By both sides agreeing to refer the matter to someone else for decision. This also is escaping from the acceptance of responsibility, unless the responsibility really belongs elsewhere.

By both sides making some concessions until a compromise is reached. This is a more mature behavior than any of the preceding methods, but may still not result in the complete and permanent solution.

By one side converting the other through persuasion. This is acceptable, provided there is real persuasion and not coercion.

By everybody giving his loyalty to the group rather than to "sides," and focusing his attention on solving the real problem by the scientific process of

(1) defining the problem, (2) objectively examining all the facts about it, (3) digging through all the possible solutions, (4) testing the solutions as to their workability, and (5) agreeing to the solution that best meets the requirements of the situation. This would seem to be the wise course.

Having a Definite Goal in Mind

Most people probably have no great mission or goal. They have no plan or program. They are whisked here and there by many whims and influences. They have not their minds or hearts set on any particular course to follow. The

man who has something he desires to attain and a definite end that he wishes to reach at least has the satisfaction of attempting to chart his course along well formulated lines. He has a better chance of reaching his goal.

PERSONALS

Ford S. Taft, the new Wyoming commissioner, was born at Milford, Mich., 59 years ago. He attended business college at Sedalia, Mo., and his first job was in 1915 with Hartford Fire at Denver in the livestock transit department. After serving in the first war he went with a tire manufacturing company at Denver, and in 1930 entered the life insurance business with Penn Mutual Life at Denver. He left the business for a time but in 1943 he reentered the business in northern Wyoming with Mutual Life and in recent years his headquarters had been at Sheridan. He is a former president of Northern Wyoming Assn. of Life Underwriters.

B. V. Alton, director of personnel of Business Men's Assurance, is celebrating his 30th anniversary with the company. He started in 1921 in the mailing department, spent considerable time in the accounting department, and when a policyowner's service department was formed, he was placed in charge. He was made an assistant secretary in 1945 and he became head of the newly formed personnel department.

L. M. Giannini, chairman of Occidental Life, was one of two recipients of the first world brotherhood awards for contributions to world peace and freedom made by the World Brotherhood Organization.

James B. Hallett, formerly general counsel of National Assn. of Life Underwriters, and more recently on the legal staff of Travelers, is now on active duty in the army. Maj. Hallett is stationed at the counter intelligence corps center, Fort Holabird, Baltimore.

Kenneth B. Albers, manager of Manufacturers Life at Cincinnati, and Mrs. Albers are being congratulated on the arrival of identical twin daughters. The Albers have three other children, all boys.

Ben F. Hadley, vice-president of Columbus Mutual, has been elected president of the Community Chest at Columbus.

I. C. Raymond Atkin, vice-president of J. P. Morgan & Co., New York City, has been elected a director of Canada Life.

OBSERVATIONS

Bringing in "Cats and Dogs"

Despite sales figures which indicate that business is holding up on an industry-wide basis, a representative group of several companies say that business for the last six weeks has been tougher to write.

Primarily they point out that the monthly sales figures usually have about a two month lag in reporting new business so they do not show the up to date picture. March issue of sales figures, for example, reflects conditions in late January or early February.

One reason for their belief that business may have tightened up is the increased number of "cats and dogs" being submitted to home office underwriters. Whenever business gets tough producers dig up the questionable cases and try to place them. When the volume of these applications increases, and they are very easy for medical and lay underwriters to detect, agency men know that the field force has run into some snags.

Those Punctual Yankees

The New England Sales Congress sponsored by Boston Life Underwriters Assn. offered a real example of a program which was timed and geared right down to the minute. A time schedule of the program read in part as follows: 9:45—Mr. Rosser will open session. 9:50—Mr. Rosser will introduce Lieut. Florian W. Cassidy. 9:51—Invocation by Lieut. Cassidy. 9:55—National anthem. 9:58—Mr. Rosser will introduce John P. Hennessey. 10:00—Mr. Hennessey will introduce Halsey D. Josephson.

And so on it went by the minute or two until its prompt adjournment at 3:50 in the afternoon.

Life Money Invested Everywhere

Life insurance money is invested in every segment of the American economy, Harry C. Hagerty, financial vice-president of Metropolitan Life, observed at the recent meeting of Metropolitan Life managers in New York City. Illustrating the diversification of the company's investments, he told the managers, "I hope that as you go home from this convention and ride on a New York Central or Pennsylvania train, or that of another railroad, or if you go,

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say, in a United Airlines plane, you will associate it with the Metropolitan. If you pass a refrigerator car marked as carrying the products of Armour; Swift; Cudahy; or Libby, McNeill & Libby, you can still think of Metropolitan dollars. And, likewise when you see a Fruehauf trailer or Associated Transport Diesel throughout the east. When you smoke a Lucky Strike cigarette, a Chesterfield, a Camel, a Raleigh or Kool, the makers, American Tobacco, Liggett & Myers, Reynolds Tobacco and Brown & Williamson—are financed in part or whole by Metropolitan.

Mr. Hagerty went on to point out that local electric light and telephone companies and the various office buildings, stores and homes in cities where the district managers were located also have received the benefit of the company's money. Mr. Hagerty continued, "The automobile you ride has steel and aluminum which no doubt was made in a company the Metropolitan helped to finance and the tires—whether Firestone, Goodrich, Goodyear, U. S. Rubber or General—have a Metropolitan loan back of the producers." Many more famous products are backed by the company's investments, he concluded.

Trouble Not Limited to Age 18

Casualties of being at war and not being at war are the many hundreds of active reservists who have not yet been called into the service. Their civilian careers are often paralyzed in the interim. One such young man, an assistant general agent, was describing his predicament recently. A situation arose in which under ordinary circumstances he would have been the perfect and logical candidate to fill a general agency post. In fact he was asked to fill it until honesty prompted him to mention that he is an active reserve officer. Quite naturally the company reasoned that he would be called into the service shortly and they could not stick a man in this tenuous position in an important spot only to lose him. So this young man was by-passed in his chosen civilian career and when they finally get around to definitizing his military orders he will be knocked out of his life work for nobody knows how many years more. Of course his company will take him back but there will be other men filling the posts he might have had during his absence and nobody can expect the company to override these fellows. Many men in the reserve category are accountably sad these days. They can't feel that they are either professional civilians or professional military men.

Edward L. Reiley, general agent for Mutual Benefit Life at Philadelphia, addressed the Pittsburgh managers on motivating agents.

DEATHS

VICTOR F. PETTRIC, 55, for several years a million dollar producer and organizer and founder of three Los Angeles insurance companies, died at the Sawtelle Veterans hospital at Los Angeles following a long illness. Mr. Pettrick entered life insurance at Milwaukee following release from the navy in 1919. Early in the 1920s he went to Los Angeles with Occidental Life of California. In 1943 he became president and founder of Constitution Life of Los Angeles. He then became the first president of Citizens Life & Casualty and Citizens General of Los Angeles. He had retired from activity with these companies because of ill health, but still retained financial interest in them.

CALVERT F. STEIN, actuary of the Maryland department since 1936, died. Before joining the department, he had served in a similar capacity with the Ohio department. Previously he had been actuary for several companies, including Maryland Casualty, Maryland Life and Provident Life & Accident.

JAMES W. DICKSON, state agent of Pacific Mutual Life at Anderson, S. C., for many years, died at his home after a long illness.

Convention Dates

March 29-30, Society of Actuaries, eastern spring meeting, Hotel Commodore, New York City.

March 29-30, N.A.I.C. zone 4 meeting, Hotel Savery, Des Moines.

April 2-5, N.A.I.C. blanks committee, Commodore Hotel, New York.

April 3-7, National Assn. of Life Underwriters, midyear, Hotel Radisson, Minneapolis.

April 9-10, L.I.A.M.A. A. & H. spring seminar, Drake hotel, Chicago.

April 9-11, Home Office Life Underwriters Assn., annual, Greenbrier hotel, White Sulphur Springs, W. Va.

April 10-11, N.A.I.C. zone 3 meeting, Roosevelt hotel, New Orleans.

April 24-25, American Life Convention regional meeting, Tutwiler hotel, Birmingham.

April 26-27, North Central Round Table of Life Insurance Advertisers Assn., Elms hotel, Excelsior Springs, Mo.

April 29-May 2, N.A.I.C. zone 2 meeting, Francis Marion hotel, Charleston, S. C.

April 30-May 2, U. S. Chamber of Commerce annual meeting, Washington, D. C.

May 1-2, American Life Convention regional meeting, Hotel Radisson, Minneapolis.

May 7-8, L.I.A.M.A. large companies' conference, Skytop Lodge, Skytop, Pa.

May 13-15, Southern Round Table meeting of Life Insurance Advertisers Assn., Biltmore hotel, Atlanta.

May 14-16, H. & A. Underwriters Conference, annual, Book-Cadillac hotel, Detroit.

May 14-16, Insurance Accounting & Statistical Assn., Palmer House, Chicago.

May 21-22, Assn. of Life Insurance Counsel, spring meeting, the Homestead, Hot Springs, Va.

May 21-22, Life Office Management Assn., spring conference, Mayflower hotel, Washington, D. C.

May 22-23, Society of Actuaries, western spring meeting, Cosmopolitan hotel, Denver.

May 24-25, Life Insurance Assn. of America, Hotel Cavalier, Virginia Beach, Va.

May 29-31, Canadian Life Insurance Officers Assn., annual, including life agency officers section, insurance advertising section, Royal Alexandra hotel, Winnipeg.

June 3-6, National Assn. of Insurance Commissioners, New Ocean House, Swampscott, Mass.

June 11-13, International Assn. of A. & H. Underwriters, Dallas.

June 14-16, Life Insurers Conference, Greenbrier hotel, White Sulphur Springs, W. Va.

June 18-20, L.I.A.M.A. combination companies spring conference, Greenbrier hotel, White Sulphur Springs, W. Va.

June 18-23, Life Officers Investment Seminar sponsored by the Financial Section of American Life Convention, Beloit College, Beloit, Wis.

June 25-27, American Life Convention, Medical Section, Broadmoor hotel, Colorado Springs.

Sept. 10-12, International Claim Assn. annual meeting, Monmouth hotel, Spring Lake, N. J.

Sept. 17-21, National Assn. of Life Underwriters, annual meeting, Biltmore hotel, Los Angeles.

Sept. 24-26, Life Office Management Assn., annual conference, Edgewater Beach hotel, Chicago.

Sept. 24-27, National Fraternal Congress, annual, Morrison hotel, Chicago.

Sept. 26-28, Society of Actuaries, Royal York hotel, Toronto.

Oct. 9-12, American Life Convention, annual meeting, including annual meetings of the Legal, Financial, Agency, and Combination Companies Sections, Royal York hotel, Toronto.

Nov. 12-16, L.I.A.M.A. annual meeting, Edgewater Beach hotel, Chicago.

Dec. 2-6, National Assn. of Insurance Commissioners, Hotel Commodore, New York City.

Issue Cincinnati Directory

A 40-page membership directory has been published by Cincinnati Assn. of Life Underwriters. It lists the officers and directors, past presidents of the local, state and National associations; agencies with names of general agent or manager and phone numbers; officers of the C.L.U. chapter, general agents and managers, cashiers and secretaries groups; local members of the Million Dollar Round Table and sales congress program.

W. H. Brunton, Mutual Benefit, president, in an introductory message, points out that it was just 80 years ago that Chauncey M. Ransom of Cincinnati conceived the idea of life underwriters association, which resulted in the organization of the Cincinnati association, first of its kind, two years later.

Minneapolis cashiers heard M. B. Rhodes, special agent of F.B.I. in the Twin Cities, describe some of its activities.

Seattle managers held a group discussion with Jack Wilson, Mutual Benefit Life, in charge.

Sellinger Leaves State Post

Leo Sellinger has resigned as supervisor of the financial analysis and insurance examination bureau of the California department to become general manager of the newly organized automobile and liability insurer at San Francisco known as Civil Service Employees Union. He had been with the department 15 years.

Samuel L. Zeigen, general agent of Provident Mutual in New York City, spoke at a recent meeting of the Life Insurance & Trust Council of Eastern New York at Schenectady on "Life Situations—Foresight vs. Hindsight."

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Mutual Trust Life fieldmen are increasing juvenile sales with:

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Chairman of the Board

J. HARRY WOOD
President

LIFE AGENCY CHANGES

Coyle New Orleans General Agent of Pacific Mutual

Pacific Mutual Life has named Charles G. Coyle general agent at New Orleans to succeed Roy A. Schroeder, who for reasons of health is relinquishing his general agency responsibilities.

Mr. Coyle has been group manager at New Orleans for Aetna Life for the past 20 years. He is a past president of New Orleans Life Underwriters Assn. and has served as vice-president of the Louisiana state association.



C. G. Coyle

Reliance Names Two

Reliance Life has appointed Raymond E. King, Jr., as field manager in Georgia with headquarters at Atlanta, and Russell S. McAllister as agency supervisor in Mississippi with headquarters at Jackson. They will assist Managers R. P. Fraser and Delmar Simmons, respectively, in organization work.

Mr. King joined the company in 1949

at Athens, Ga. Mr. McAllister has been with the company since 1940, when he became an agent at Jackson. He is an air force veteran.

State Mutual Names Wagner as Boston General Agent

State Mutual Life has appointed Richard F. Wagner general agent in Boston succeeding R. D. Wells, who resigned several months ago.

After 10 years of general business experience, Mr. Wagner resigned as vice-president of a textile concern to enter life insurance as an agent at Lancaster, Pa., for Connecticut General. Two years later he became district manager at Wilmington, Del., later becoming manager at Boston, where during the 10 years he was in charge, both the production and insurance in force practically trebled. He was elected president of Boston Life Underwriters Assn. in 1949.



R. F. Wagner

Moors to Green Bay

Carroll C. Moors, manager for National Guardian Life at Wausau, Wis., will be transferred to Green Bay, Wis., April 1 to become assistant manager to Frank Neu. He is vice-president of Wisconsin Valley Assn. of Life Underwriters.

Burch Joins Nat'l Reserve

National Reserve Life has appointed Ben F. Burch general agent at San Francisco. He has been sales manager for Western American Life.

Alex Schwartz has been appointed assistant general agent of the Altschul agency of Postal Life at New York City. Before entering military service in 1941 he was with Sterling National Bank & Trust Co. In 1946 he joined Prudential at New York City and in 1949 was promoted to assistant manager there.

Peoples Life of Washington, D. C., has promoted B. J. Jenkins of Waldorf, Md., and J. T. Kenny, Cumberland, Md., to field superintendents.

undertaken in St. Louis and Missouri. He announced the formation of a new association at Topeka.

Coordinating Group Meets

Educational programs, public relations and agents licensing were discussed at a meeting of Disability Insurance Coordinating Committee at Chicago. A subcommittee on education was appointed to study and report on A. & H. educational programs generally available to agents and companies.

A report on the American Medical Assn. advertising campaign showed that 100 companies, 50 agencies and five associations actively participated in the campaign last October by stepped-up advertising programs.

Scope of the committee, which has represented H. & A. Underwriters Conference and International Assn. of A. & H. Underwriters, was broadened to include representatives from Life Insurers Conference and National Assn. of Life Underwriters.

New Pacific Mutual Forms

New "feature accident" and "feature combination" policies have been announced by Pacific Mutual Life. Standard provision 19, which limits aggregate indemnity on insured's life, has been eliminated, and the new "principal sum with double travel indemnity" has been made available. Both policies offer accident medical reimbursement in amounts of \$1,000, \$1,500 and \$2,500. The "feature combination" includes miscellaneous hospital expense of \$150 and \$300.

There is an extension of occupations covered to include more hazardous classifications. Renewal age limits are extended and former increases in premiums on renewal eliminated. Some of

ACCIDENT

Non-Occupational Disability State Fund Bill Killed by Wisconsin Assembly

MADISON, WIS. — The state assembly has killed a bill which would have provided a compulsory state insurance fund for non-occupational disability from illness or accident. It would have covered employers of one or more persons. Employers would have contributed 1 1/2% of their payroll and workers 1% of their wages up to \$3,000 a year, with the fund and administration in the hands of the industrial commission, similar to the present unemployment compensation plan.

Labor organizations were active in sponsoring the bill. The employee-employer advisory committee of the industrial commission has not endorsed a sick pay bill. Another factor which worked against the compulsory plan was the realization that many private employers already have voluntary A. & H. and hospitalization insurance plans in effect. The assembly voted 68 to 18 to postpone the bill indefinitely.

Bert Hedges Taking Own A. & H. Sales Prescription

ST. LOUIS — In connection with suggestions that he offered for increasing personal production proficiency in selling A. & H. insurance, Bert A. Hedges, Business Men's Assurance, Wichita, told A. & H. Underwriters Assn. of St. Louis that he is taking his own prescription.

"I've put myself out on a limb," he said. "I stated in an open meeting of our agency that I will produce \$500 of new health and accident premiums each month. I am going back to work to make good on that pledge. I have hired another girl to do the details, for I'm going to devote more of my time to personal production."

He said the Korean war and other aspects of the international situation have brought a reprieve for private insurance plans but warned that even in these days of grave national emergency the socialistic bureaucrats and others high in the government are seeking to tie in their governmental insurance and medical plans and other welfare state ideas with the national defense program. He warned that the only way to defeat these plans is to sell the people on the soundness and efficiency of private insurance. "We've got to quit selling the accessories and get down to the chassis," he declared.

He described the directory put out recently by the Kansas association and suggested that a similar activity be

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"Success in the insurance business, like success in hunting, requires reliable ammunition. In accepting my position as a combination agent with ANICO I found sales ammunition that really 'bags the limit'. Unbeatable policies, Home Office cooperation and effective selling aids add up to one thing . . . outstanding earnings."

CHARLES R. DUPWE
one of ANICO'S leading agents
Roswell, New Mexico

You can grow with ANICO

- ★ A working contract that permits outstanding earnings.
- ★ Policies that stand out in value against any competition.
- ★ A management philosophy that is based on the axiom that a company succeeds only when its agency force succeeds.
- ★ The most modern and effective selling aid program that can be devised.

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CHECK THESE SPECIFICATIONS

- ✓ 1. Accidental Bodily Injury Insuring Clause.
- ✓ 2. "His Occupation" Definition of Total Disability.
- ✓ 3. Non-aggregate coverage for as long as 120 months or to age 65—House confinement never required.
- ✓ 4. Lifetime Accident if desired.
- ✓ 5. Waiver of Premium after 90 days.
- ✓ 6. Liberal Hospital and Surgical Benefits on an optional basis.
- ✓ 7. Policies Guaranteed by one of America's oldest and largest Accident & Health writing companies.

plus an outstanding
pre-approach plan

• Brokerage Business Invited •

PROVIDENT LIFE AND ACCIDENT
Insurance Company

the liberalizations are extended to present policyholders without increase in premium.

Asks A. & H. Rate Regulation

The state banking commissioner of North Carolina has asked the legislature to give the insurance commissioner authority to regulate rates on A. & H. insurance, because of alleged abuses in the small loan field. He said many small loan companies are selling A. & H. policies with their loans, the premiums on which average 70% of the net loans made.

While a bill dealing with the situation may be presented at this session, Deputy Commissioner Humphries said it is unlikely that the bill would call for immediate assumption of rate regulation by the department, which is not equipped to handle such an assignment now.

If a bill is introduced, it probably will call for a study to be made and a report to be submitted to the 1953 legislature with recommendations.

Hospital Cover for Oldsters

North American Life & Casualty has brought out a new hospital policy designed especially for people from 60 to 75. It provides 30-day hospitalization coverage, incidental benefits up to five times the room allowance and \$100 surgical. It is available to both sexes and there is no reduction in benefits for age.

Allow Agents' Group A. & H.

Insurance agents may participate in group A. & H. plans under legislation just enacted by the North Carolina legislature.

The new law extends the group provisions to all agents, but it was introduced specifically because Jefferson Standard Life agents wanted to participate in a group plan. The bill was opposed.

A. & H. Standard Bill in Mich.

The Michigan legislature has received a department-backed bill embodying the A. & H. standard provisions proposal endorsed by National Assn. of Insurance Commissioners.

The measure would provide that carriers might adopt its provisions optionally until Jan. 1, 1956, and after that date they would be required to conform to the act. There are a few deviations in the Michigan bill from the model measure, in order to adapt the provisions to existing Michigan standards. One is the continuance of a two-year contestability clause in place of the three-year clause embodied in the uniform bill.

The bill was introduced by Representatives Frye of Muskegon and Graebner of Saginaw, both insurance agents. It was referred to the house insurance committee.

Shearer Dallas President

Maynard Shearer, Occidental Life, was advanced to president of Dallas Assn. of A. & H. Underwriters at the annual meeting last week to succeed William A. Crowley, Guardian International Life, who becomes chairman of the board.

Other new officers are: Vice-presidents, Allen M. Cureton, Southland Life, and Davy E. Carroll, Occidental Life; secretary-treasurer, John H. Miles, United Bankers Life.

Monks to New York Life

George F. Monks, superintendent of claims of Preferred Accident, has joined New York Life's newly organized accident and sickness department as manager of claims. He began with Travelers and later was with General Accident, in both cases in the claim department.

Robert W. Carey, formerly superintendent of the A. & H. department of Sun Indemnity, becomes associate underwriter in New York Life's A. & H.

department. He was at one time in the field for Fireman's Fund Indemnity and also supervised the commercial A. & H. division of Royal-Liverpool.

AGENCY NEWS

Randolph Receives Trophy

The Charles Randolph agency of Security Mutual Life of Nebraska at Edmund, Okla., was awarded the president's trophy as best all-around agency for 1950. A large loving cup was presented by President T. A. Sick at a dinner at Edmund. Mayor John Moore of Edmond welcomed the guests and Commissioner Dickey of Oklahoma gave statistics showing the increased magnitude of insurance in the state.

Study Hospitalization Plan

Pierre Welty, new San Angelo, Tex., manager for American National, presided at a conference attended by 31 agents to study the company's newly instituted hospitalization insurance program.

Mr. Welty, formerly at Odessa, Tex.,

succeeded C. R. Venable, who retired after 36 years with the company.

G. F. B. Smith at Buffalo

Inflation can be checked only if everyone is willing to "tighten the belt," George F. B. Smith, executive vice-president of Connecticut Mutual, said in Buffalo at the annual meeting of the Jack O'Bannon agency.

"People have more money to spend than ever before," Mr. Smith said. "Production has been unable to keep pace with demand, there is a greater competition for goods—and like an old-time auction—the bids keep going higher and higher."

"A strong national economy depends on our ability to bring demand into a reasonable relationship with supply."

Extend Insurable Interest

A new law just passed by the North Carolina legislature gives any employer an insurable interest in the life and physical ability of an employee, and allows him to carry insurance for the employer's benefit on the employee.

The law also gives any principal an insurable interest in an agent, and gives business partners an insurable interest

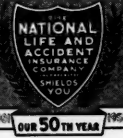
in one another. Trustees of employee pension plans are given insurable interests in the lives of those covered for the benefit of the pension fund.

The legislature also granted Jefferson Standard's request for permission to invest more of its assets in lease-back real estate projects. A bill authorizing an increase in this type of investment from 4% to 6% of an insurance company's assets has been passed.

Chicago C.L.U. Group Panel

Chicago C.L.U. will hear a panel of four experts at luncheon on March 29 discuss group plans. On the panel are George Baldwin, John Hancock, group manager, who will be moderator; Edward E. Mack, Jr., Mack & Parker, who will discuss group life and A. & H.; Peter Hondorp, associate actuary and assistant secretary of Continental Assurance, group permanent and deposit administration, and C. Rigdon Robb, Northwestern Mutual, group annuities and pensions.

Republic National Life has presented checks for substantial amounts to a group of home office employees as awards for continuous service.


Now in our  *50th Year*

**LOOKING BACK...BUT
GOING AHEAD**

This is our 50th year and therefore it will be understandable if we look back down the years of the half century and "point with pride" to the progress we have made and the position we have attained among the leaders in the business, all under one continuous management.

But even as we look into the past, we march steadily ahead into the future with no let-up in the pace, with one of the finest agency forces in the business, which is out to make this our greatest year.

**The NATIONAL LIFE
and ACCIDENT
Insurance Company**
INCORPORATED



NEWS OF LIFE COMPANIES

W. & S. Opens Home Office Brokerage, Surplus Division

Western & Southern Life has opened a home office brokerage and surplus business department headed by Robert P. Edwards, assistant secretary. The company writes all types of ordinary, both standard and sub-standard, and has set up new facilities in its home office medical department to give prompt service. Between ages 25-45, Western & Southern's overall retention limit is \$200,000 and for older ages the table is graded downward slightly. The retention limit for the first group of sub-standard is \$175,000, second group \$150,000, third \$125,000, and fourth \$100,000. It writes up to \$50,000 accidental death benefit and issues a disability premium waiver.

Changes Annual Report Style

One of the first to issue a "popularized" short form of annual report to policyholders, along with a full report which was sent on request, Mutual Benefit Life has this year gone back to one report, bearing the title "It's Your Money," as a result of its experience of the past four years. It includes a strong statement urging policyholders to join the fight on inflation.

The booklet containing the schedule of securities owned also is "popularized," to promote better understanding of the care with which policyholder funds are invested and the importance

of such investments in the nation's economy.

Colonial Life Insurance in Force Passes \$250 Million

Colonial Life's insurance in force has reached \$250 million. The occasion was marked by appropriate ceremonies at home office.

The policy that brought the total to that figure was issued on the life of Dr. Ralph J. Galdieri of Morristown, N. J. It was presented to him by Richard B. Evans, president.

Home office employees participated in the observance of this milestone at an informal ceremony.

Cal-Farm Gets License

Cal-Farm of Berkeley has been licensed by the California department. This is a new company which recently applied for a permit to sell 275 shares of \$1,000 par value stock at \$2,000 per share to Cal-Farm Investment Co. to net the life company \$550,000. It will write life and disability.

Central Life of Florida has elected Dr. Mary Bethune its president to serve out the unexpired term of the late G. D. Rogers, Sr. Dr. Bethune has been 1st vice-president of the company for many years and is founder and president-emeritus of Bethune-Cookman College and was for many years director of

Negro affairs of National Youth Administration.

Takes Over 3 1/2% Business

Bankers Life & Casualty of Chicago has purchased all the 3 1/2% business of North Central Life of St. Paul. There was \$10,794,366 of business, on which the reserve is \$3,250,000. The company was formerly known as Modern Life.

COMPANY MEN

Security Mutual, New York, Names L. E. Zell Treasurer

Security Mutual Life of Binghamton has named Louis E. Zell, Jr., treasurer, effective April 1, succeeding Cornelius C. Van Patten who has resigned to become president of a savings bank.



Louis E. Zell

An alumnus of Washington University, Mr. Zell did graduate work at Harvard school of business and finance. He was in the army finance unit during the war. He was with Shell Oil Co. from 1940 through 1943. Before joining Security Mutual he was with Aid Assn. for Lutherans.

Spencer New Mass. Mutual Policy Department Manager

Massachusetts Mutual has promoted Charles H. Spencer, Jr., to manager of the policy department, succeeding the late L. F. St. Cyr, and has named Raymond L. W. Johnson and R. W. Pease as assistant managers.

Mr. Spencer, who has been assistant manager, joined the company in 1923, serving in the mailing, agency auditing, real estate records and accounts departments, and was manager of the last-named department in 1942. In 1945 he served as agency auditor and in 1946 became assistant policy department manager. He has been active in the local Red Cross.

Mr. Johnson entered the policy department in 1928 and has been in charge of the new issue section. He is an army veteran. Mr. Pease is a graduate of Northeastern University, has been in the policy department since 1930 and has served as supervisor in the pension trust section.

Bateman General Counsel

Harold A. Bateman has been elected general counsel of Insuromedic Life and Oscar D. Brundidge, general counsel emeritus.

George H. Coppers, president of National Biscuit Co., has been elected a director of Home Life of New York.

List Occidental Life Leaders

Howell A. King, general agent at Baltimore, led all Occidental Life agents for 1950 in new paid premiums. I. M. Goodman of Montreal led in new paid volume and I. M. Schelin of Reno in new accident and sickness premiums. The Leisure, Werden & Terry agency of Los Angeles was the top agency in all three categories.

Sixteen men each paid for more than \$1 million of new business in 1950.

POLICIES

Ease Mutual Life Rules on Armed Services Pilots

Mutual Life has eased its aviation restrictions to provide pilots and other flying personnel in the armed forces with more life insurance protection.

The liberalized clause, which is available only in new policies, provides for the full face amount of an airman's life insurance to be paid if death is caused by an aircraft accident occurring within most of the western hemisphere. The aviation clause previously issued in policies issued to flying personnel did not provide coverage while the insured was a pilot or crew member.

The new clause continues to provide the usual full coverage if the airman's death is caused while he is riding as a passenger on a commercial airline flying on a regularly scheduled route between definitely established airports anywhere in the world.

Philadelphia Life Adopts Many Changes in Issuance

Philadelphia Life has instituted a number of changes including a new \$10 monthly income disability on all plans, ordinary life or higher. The minimum income disability will be \$50 per month and the maximum \$250. A new preferred risk whole life policy will be issued for a minimum of \$5,000. Automatic conversion five year term non-par will be issued.

The company has increased the rate of discount on premiums paid in advance from 2 to 2 1/2%. The company will now issue limited pay life plans ranging from 15 to 30 payments. Limited payment endowment plans will be issued on the same basis. Waiver of premium will be offered to single women at the same rates charged men.

Philadelphia Life is now issuing \$10,000 on ordinary life plans or higher without a war clause to those not in the military services. Aviation exclusion riders may be attached where warranted. The maximum extra premium charged for bartenders has been reduced. Home office specimens will now be required only on cases exceeding \$15,000.

Cuts Endowment Premiums

Travelers has reduced premiums for endowment forms. Following are illustrative annual premiums per \$1,000 insurance:

Age	Year	10	15	20	30	Ret.	Ret.
	End.	End.	End.	End.	End.	End.	End.
10	99.61	63.33	46.09	28.77	14.56	14.54	65
15	99.66	63.38	46.14	28.82	17.88	16.54	
20	99.71	63.43	46.19	28.87	21.01	18.68	
25	99.76	63.48	46.24	28.92	24.35	21.30	
30	99.81	63.53	46.29	28.98	28.38	25.08	
35	99.86	63.58	46.34	29.03	32.72	30.55	
40	100.42	64.68	48.14	32.71	48.14	38.41	
45	101.63	66.40	50.43	36.30	66.40	50.43	
50	103.74	69.27	54.16	41.87	103.74	69.27	
55	107.26	73.83	60.13	.....	.....	107.26	
60	112.67	81.15	69.37	.....	.....	.....
65	121.06	92.45	83.59	.....	.....	.....
70	134.29	.....	.....	.....	.....	.....

Abrams Persistency Leader

The Max Abrams agency of Occidental Life at Cincinnati has been awarded the 1950 persistency plaque. This is the fourth time in the last five years that agency has won this plaque. Its persistency ratio for all full-time agents in 1950 was 98.82%.

The agency also had an excellent production record in 1950, with an increase of more than 50% over 1949.

Analyze Cooperative Trend

With 500 agents representing Mutual Service companies in attendance, the trend of insurance in the cooperative movement was analyzed at a two-day meeting at St. Paul. The delegates represented cooperatives, credit unions and township mutuals in Minnesota and Wisconsin.

He's Going Places...

ARE YOU!

"Ten years ago I was just another agent. After examining Capitol Life's liberal contract, I signed up, never realizing the unlimited opportunities available here in the West. Today, my business is booming and I can afford a ranch outside of town.

"My son's future is assured...

ranching! Our home is paid for, we have all the comforts of secure living...and all of it came from the profits of life insurance selling.

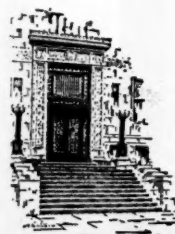
"This country is busting at the seams. Thousands of new families, farms, industries—and all going places! The future is here, right now!"

To qualified Field Underwriters and Agency managers now residing in the 13 western states, our agency expansion program offers opportunities no ambitious man can afford to ignore.

Write us for complete details.

THOMAS F. DALY II

Vice President and Director of Agencies



The CAPITOL LIFE INSURANCE COMPANY

CLARENCE J. DALY, President

HOME OFFICE, DENVER

Business Insurance, on the Uptrend, Is a Growing Favorite with More Agents

Business insurance seems to be on a strong uptrend, and, thanks partly to constantly increasing industrial defense production, there seems little likelihood of sales leveling off in the foreseeable future.

There is divergence of opinion among those who are handling this specialized type of insurance whether to concentrate on the big customers or the smaller ones. One agent reported, for example, that negotiations which started in January on four lives with the preliminary figure of \$400,000, had soared to \$1 million by February when the contract was finally signed. Thus, he believes in letting smaller prospects go by the board.

Those who seek medium business policies maintain that such men are easier to contact, are more accessible and less difficult to close. One agent, who makes a point of interesting medium sized storekeepers, recently wrote \$50,000 on the proprietor of a radio shop.

Many home offices, which never stressed business insurance in the past, now are including new, intensive training courses on the subject. The result is that agencies which never concerned themselves with this type of insurance now are swinging over to it.

One company, in advising its agents of the value of selling business insurance, pointed out that it should be one of the easiest types to sell—for the simple reason that almost all clients are either in a business or working for one. It also is urging its agents not to have preconceived notions that business is too difficult to sell, pointing out that one does not have to be a specialist of years' standing to learn to work with it.

More than \$1 billion of new insurance purchased in 1950 named a corporation, partner or business associate as beneficiary, and a sizable additional volume was set up with a trustee, a relative or in some cases the estate named as beneficiary.

Views of T. A. Bradshaw

According to Thomas A. Bradshaw, vice-president and general counsel Provident Mutual Life, the interest in business insurance has been increasing steadily over a number of years. It is his opinion that the superior agent has recognized the need for it and has educated himself as to how these cases should be handled and the techniques of selling them.

He said there seems to be little doubt that the agency forces as a whole are becoming better trained in how to sell business cases. In addition, he believes the public is becoming more conscious of the value of this insurance.

Mr. Bradshaw asserted that whereas the typical lawyer in general practice some years ago might not have given much thought to the needs for business insurance and might not have been inclined to recommend it, there are many lawyers now who are acutely aware of the value of such insurance. For example, he adds, nowadays it is not unusual to read articles written by lawyers for legal magazines dealing with the tax problems of the business man in which a great deal of stress is laid on the need for business insurance.

As to other reasons for the booming market in business, he says the high levels of taxation have had a great deal to do with persuading business men and their lawyers of the need for business insurance arrangements and "in many tax situations there is no more perfect solution than the carrying of life insurance."

Aaron M. Royal, manager of field training, Penn Mutual Life, believes that the national emergency may have accelerated the pace of business insurance but he doubts that it is the underlying reason for the boom.

He declared that in 1945 his company realized that there were increasing possibilities for sales in this market. He said they believed that many of their agents were not attempting to sell it because they felt that they were not competent to handle it.

His company's answer was a four-step sales pattern for business insurance selling. This, he continues, was so well received by the field force that a complete sales kit was produced. The subject was made a part of the agents training course.

Marked Income in Sales

He explained that introduction of this material was followed by a marked increase in business insurance sales. The continued interest, he added, in this field is evidenced by the number of agents who are taking the business insurance course. He reaffirms the fact that many agents who have not done such selling in the past are now studying to make themselves experts on the subject.

Officers of New England Mutual and Equitable Life of Iowa agree that business insurance sales reflect a steadily growing realization by the public of the value of life insurance for such purposes. They add that the growth of agency staffs in equipping themselves with the technical knowledge to meet this need has kept pace with the increasing public demand. They tend to the belief that business insurance has always held a very important place in the agent's field of prospecting.

In a new pamphlet on the legal questions involved in business insurance, Phineas M. Henry, vice-president and general counsel Equitable Life of Iowa divides this insurance into four types: Written on the lives of partners for the ultimate benefit of the partnership or the copartners; in favor of creditors; on the lives of corporate officers, employees and stockholders for the ultimate benefit of the corporation or the surviving stockholders; and on the life of a sole proprietor to provide funds for the purchase of the business by an employee.

Discusses Partnership Needs

Mr. Henry asserts it is well settled that a partnership has an insurable interest on the life of its members and a partner has such an interest in the life of his copartner. He points out that this type of insurance should be applied for by the partnership which should pay all the premiums and should be named as irrevocable beneficiary.

On the subject of business policies written in favor of creditors he says there are few questions in law which arise in cases of this kind. He declares there is no doubt whatever that a creditor has an insurable interest in the life of his debtor and he can take out insurance on that life to protect himself or accept an assignment from the debtor for the same purpose.

Mr. Henry further asserts that a one man business or proprietorship is nothing but an individual doing business under his own name or under a trade name. All of the ordinary reasons for carrying life insurance for credit purposes, he adds, for the purposes of paying taxes at death and for protection of the family of the decedent apply to a proprietorship. Every individual he maintains is in a sense a proprietorship. He is always engaged in business for himself even though working for a partnership or corporation and he is always in himself a one man business. He needs, according to Mr. Henry, insurance as an individual and not as a business.

46th ANNUAL REPORT

ASSETS

Cash in Banks and Office	1.64%	\$ 764,084
U. S. Government Bonds	26.66%	12,401,761
State, County, and Municipal Bonds	4.90%	2,280,991
Corporate Bonds	17.34%	8,061,420
Corporate Stocks	2.17%	1,009,600
First Mortgage Loans	34.25%	15,931,430
Home Office and Other Real Estate	.41%	190,600
Loans to Policyowners	8.54%	3,974,231
Interest Accrued	.56%	262,355
Current Net Premiums and all other assets	3.53%	1,641,386
TOTAL ASSETS		\$46,517,858

RESERVES, LIABILITIES, AND SURPLUS

Legal Reserves on Policies	\$38,575,497
Policy Claims in Process of Payment	141,614
Dividends payable on policies	707,004
Dividends left by policyowners to draw interest	1,161,474
Reserve for Taxes	186,374
Premiums and interest paid in advance and other current accounts	496,397
TOTAL RESERVES AND LIABILITIES	\$41,268,360

Additional Funds for Protection of Policyowners

Capital	\$ 750,000
Contingency Funds	1,000,000
Surplus	3,499,498
TOTAL	\$46,517,858

LIFE INSURANCE IN FORCE — \$235,627,571

BENEFICIAL LIFE
INSURANCE COMPANY

George Albert Smith, President

Salt Lake City, Utah

Help Wanted

Creative Writer—To supervise and write for sales magazine and prepare advertising and promotional copy in the new Public Relations Department of a large midwestern life insurance company with nationwide operations. Give full details. Address E-29, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

L.I.A.M.A. Holds Small Company Meeting

(CONTINUED FROM PAGE 2)

of business eliminated the peaks but the valleys were still there, so the companies went back to holding contests.

The place of A. & H. departments in life companies came in for much discussion. Many companies have added A. & H. in recent years and all who have such departments seemed glad of it. As to the danger that irritation at a claim settlement might jeopardize a company's life business, it was emphasized that a company must have a liberal, fair, claim settlement policy. It cannot, for example, decide that claims from a certain agency have been running too high and that a "get tough" attitude should be adopted on the next batch of claims from that quarter.

Chairman Lounsbury said that if the agent will sell an A. & H. policy honestly the company can pay every claim that is incurred and that his company has had virtually no trouble on that score.

Sam E. Miles, vice-president of Provident Life & Accident, urged all who were interested to attend L.I.A.M.A.'s A. & H. conference at the Drake hotel, Chicago, April 9-10.

E. R. Hodgkins, vice-president and

manager of agencies of Paul Revere Life, spoke on the use of the managers' evaluation tests that it uses to pick out potential managers from its agents. This was at the afternoon session, with E. A. Phillips, superintendent of agencies of Standard of Oregon presiding, which led off with a discussion of agency department set-ups.

Mr. Hodgkins said that an early difficulty with the plan was that too many agents who took the tests got to considering themselves as managers but now the test is given to all without any indication that it contains the managers' evaluation material along with other aptitude testing material.

Prefer Appointed Councils

There was considerable discussion of general agents' advisory councils. With few exceptions, the companies that have such councils find them of great help. In general, the results seem to be more satisfactory where the council members are not elected but are appointed or qualify on some other basis, the difficulty with elected members apparently being that the most popular rather than the most able men tend to be picked.

One executive said that his company has such a council and he wishes it didn't. This high degree of frankness caused Sergeant-at-arms Browne to reverse his usual practice of fining people and present a quarter to the speaker.

The discussion of recruiting indicated that the problems are largely the same as in the past and that the national emergency has not yet become much of a factor. A show of hands indicated that very few companies were experiencing either a marked increase or marked decrease in the number of new agents being obtained.

Need Organized Recruiting

Mr. Miles emphasized the need of having managers do something about recruiting on a steady, organized basis. His company's managers are supposed to devote a certain amount of time to recruiting, which varies according to each agency's particular situation. The managers are requested to write to him on the 15th and last day of each month briefly recounting their recruiting activities and the results.

Frank Barnes, vice-president and agency director of Ohio State Life, said his company had made use of the Hugh Bell book and had gone at its recruiting problem by setting aside a month for intensive recruiting. This was preceded by a four-day meeting of general agents to brush up on recruiting and training methods. A feature is that every agent that is brought in during that time is sent to a home office school—in itself an inducement to a prospective recruit.

Mr. McConachie said that several years ago he realized that some general agents were doing a building job and others were merely exalted personal producers. He gave them two years to decide which category they wanted to be in, with the result that 10 of the company's 35 agencies are now on the agency building basis. It is in these agencies that the company is spending its time and money for development.

UNDER \$100 MILLION

The discussion group of companies under \$100 million had W. J. W. Merritt, agency director of Wisconsin National Life, presiding in the morning and Charles E. Gaines, vice-president and agency director of Great National, in the afternoon.

In the discussion on financing agents, it came out that only five companies out of 44 represented do no financing at all. However, the trend appeared to be toward tightening by cutting off non-producers or poor producers sooner than before. A maximum of three months was the general consensus for continuing a marginal agent and some are much more drastic than that, with good results.

In the compensation field, the trend is toward finding ways to increase the income of the general agent and agent without raising the company's net cost. In some companies this has been done by adding supplementary benefits such as pensions, A. & H., etc., etc. There has been a marked trend in this direction. One way of adding to income is to pay a bonus for service calls or an extra commission for quality business.

Concerned About Social Security

Social security was discussed but nothing much definite was said, because the government has not come out with its exact definitions of who is and is not an agent. The companies are considerably concerned lest they incur penalties for failure to pay social security taxes as they should, for these errors might not come to light for 18 or 20 years, when agents are ready to retire.

In cooperating with general agents on advertising, Wisconsin National pays 50% of the advertising bill. Mr. Merritt emphasized that advertising should be used as a sales tool and not as a crutch that an agent should depend on for leads or to do his selling job for him. Its purpose is more to educate the people in the community.

A number of companies share the advertising costs with their general agents. A show of hands indicated that only five companies represented had a full-time public relations, direct mail or advertising man, but 14 have an advertising agency on a retainer basis.

In the discussion on recruiting, Frank Whitbeck, vice-president of Union Life of Little Rock, said his company had been successful in advertising for agents aged 50 years and older and that its experience with such new men had been good.

Should Know Recruits

The advantage of being acquainted with recruits before taking them on was shown by the experience of a company which found that from 1935 through 1949 only 10% of the men that it took on whom the general agent had not known for at least 90 days were successful. Another company officer said that "You need to know enough about a man to have 100% confidence in him because you can't afford to invest financing money in strangers."

It was brought out that prospective agents are today more and more asking what kind of training a company offers. Of the companies represented, 14 operate home office schools. One company has a pre-induction training course and has four publications that prospective agents must read and discuss with the manager before negotiations are continued. A few companies are using the Purdue one-week indoctrination course.

Drilling for Skill Needed

There was general recognition by the group that whereas the needs, uses and functions of life insurance are not even subject to argument, the skill in presentation needed requires more emphasis on training in home office schools and in the agencies. There was obviously a trend toward believing that home office schools should not confine themselves just to education and the fundamentals but should also provide drilling for skill, though this does not lessen the importance of what the general agent has to do in the way of training.

Mr. Gaines said that all his new agents attend the Southern Methodist University basic course. He uses the L.I.A.M.A. sales method index to cover the agent's first 10 paid cases before enrolling in the S.M.U. course and does the same on his most recent 10 paid cases before enrolling him in the advanced S.M.U. course.

E. A. Frerichs Presides

The symposium on "Blueprint for Today's Operations" was under the direction of E. A. Frerichs, vice-president of Security Mutual of Nebraska, chairman of the small companies committee. The talks at this symposium, which occupied all of Monday, are reported elsewhere in this issue.

That evening there was a cocktail party given by Manager Phillip J. Weber of the Edgewater Beach hotel where the meeting was held, followed by an informal dinner at which Mr. Frerichs was toastmaster.

Wednesday at the final session James E. Schofield, vice-president of North American Life & Casualty, and Mr. Whitbeck summarized the discussion group sessions, Mr. McConachie brought greetings from the L.I.A.M.A. board of directors, of which he is a member, and Charles J. Zimmerman, associate managing director of L.I.A.M.A., gave a talk which is reported elsewhere in this issue.

J. E. Day Is Confirmed

The appointment of J. Edward Day as Illinois insurance director was confirmed by the state senate Wednesday morning by a vote of 46 to 0.


Solomon Huber, general agent of Mutual Benefit Life at New York City, professor of sociology at the New School for Social Research, spoke at a meeting sponsored by New York City board of education for high school teachers.

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REIMBURSEMENT**

**GROUP
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**REPUBLIC NATIONAL LIFE
INSURANCE COMPANY**

THEO. P. BEASLEY, President

HOME OFFICE DALLAS, TEXAS

Life insurance in force exceeds \$310,000,000.00

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You can bring your sales groups into an atmosphere of friendly hospitality at **DEER PARK LODGE**. Ideal meeting and recreational facilities for groups up to 250 . . . excellent accommodations . . . good food . . . all combine to make your convention a success.

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Companies Now Offering 600 Courses for Field Men

Life companies have long been getting more education-minded in the agency field but in the last five years the process has been so accelerated that there are currently about 600 courses being offered by the companies as against about 200 at the end of the last war.

Companies also are becoming more selective than ever. The average agent in training today is 29 years old, has a college degree, a wife and at least one child. He must pass the latest type of I.Q. and aptitude tests before he is even considered for employment.

Metropolitan, for example, now has six special training centers, including the home office, and has stepped up courses, both numerically as to trainees and as to content. It conducts courses not only for new agents but for assistant managers, and is planning further postgraduate classes for the latter. Even the subject, "How to Recruit New Employees" is being threshed out in a special pilot seminar of veteran managers.

An intensive two weeks' course for new agents heavily accents the practical aspects of selling. Tape recorders, new type projection charts, movies are among the modern training aids employed. His training does not stop then, as he is under organized supervision by his assistant manager at his agency for months afterwards. And after he becomes an assistant manager an instructor actually follows him into the field for three weeks.

Instructors themselves brought from the field for six-month shifts say the experience has improved their efficiency 100%.

O.K. Guarantee Reserve, National Protective Merger

The merger of National Protective of Kansas City and Guarantee Reserve Life of Hammond, Ind., has now been approved by the Indiana, Missouri and Nebraska departments. The policyholders of both companies will now be insured by Guarantee Reserve.

Ben Jaffe, is president and treasurer of the merged company; J. F. Kutak, vice-president, secretary and general counsel; Frank T. Pickart, and Eugene Jaffe, assistant secretaries.

Hubert Couture, formerly with Continental Casualty, has been appointed agency director, and Frank X. Moose, formerly with the Illinois department,

Prudential is in the first year of a brand new training program, directed from schools both in Newark and Chicago. Field and classroom work in the centers are employed in the instruction of a new agent, scheduled to extend over a period of two years. Studies are under way to determine whether intensive classroom work is more effective before or after practical indoctrination working out of his agency. New advanced management training courses are being prepared.

Mutual Life has recently announced a comprehensive little schoolhouse of its own, in which it trains cashiers, managers, junior officers, secretaries and actuaries as well as agents. In addition to home office and correspondence courses, Mutual's program encompasses tuition as well at certain private institutions.

Agents in training by these three companies alone now total nearly 7,000, a big increase over a year ago. Unless the mobilization into the armed forces seriously curtails the pool of potential agents, every statistical indication is that the number will continue to increase. Nor does this necessarily presuppose a greater turnover—the rate of which in Metropolitan, for example, is but 6%.

As one training manager said, "We have to keep up with the parade." The field of insurance in its entire scope, he added, has become a science as exact as law and medicine—there cannot be too much professional preparation on the part of those engaged in it. A little knowledge, as far as selling insurance is concerned today, is regarded as worse than none at all.

and lately with Prudence Life of Chicago, auditor.

The company is now licensed in Indiana, Illinois, Virginia, Missouri and Kentucky, and has applications pending in a number of states.

Omnibus Bill in N. C. to Revise Insurance Laws

RALEIGH—The North Carolina department has combined its legislative program into a single omnibus bill which would make a number of changes in the insurance laws.

Proposed changes affecting life insurance, as explained by Commissioner Cheek would:

Prohibit a life company from securing

control of a corporation not in the insurance field.

Permit process to be served on the commissioner when he is absent by leaving the process at his office; prohibit a company from using anything but its true corporate name on a policy, although emblems and insignia still could be used with permission of the commissioner; give the commissioner authority to require of foreign companies seeking license here the minimum surplus required of domestic companies, in addition to minimum required capital; permit the commissioner in event of liquidation or rehabilitation proceedings to employ additional personnel and use the assets of the company involved to bear the additional expense.

Bankers Life of Iowa had new ordinary sales for the first two months of the year totaling \$17,835,097, up \$2,425,611 over the corresponding figure a year ago. In-

surance in force reached a new high of \$1,567,245,556 at March 1, again of more than \$109 million. Group accounted for more than \$58 million of the increase.

Wallace Heads New Club

Travis T. Wallace, president of Great American Reserve, has been elected president of the newly organized Insurance Club of Dallas, embracing all branches of insurance, with J. Frank Smith, Southland Life, as secretary. Representing life interests on the board, in addition to the officers, are Orville M. Erickson, John Hancock, and R. Barney Shield, Great National, general agents, and R. W. Baxter, president Rio Grande National; A. & H., Dave Hundahl, Mutual Benefit H. & A.

Is it true what they say about Chinese Doctors?



CHINESE doctors, they say, are paid only while their patients remain well. Fees cease when illness strikes.

Our doctors, too, are deeply interested in preventive medicine. Best of all, this interest is not academic. In small towns and large cities, our doctors are putting this knowledge of preventive medicine to practical use. So very often, it is the difference between misery and happiness in the years ahead.

Our hats are off to your doctor who prevents as well as cures.

THIS MAN PREVENTS, ALSO

By means of his ANALAGRAPH, the Mutual Benefit Life man is well-equipped to diagnose

future financial trouble spots. And is able to recommend the right course because he has a wide variety of plans at his disposal. Small wonder that his closing ratio, with the ANALAGRAPH, is 1 out of 1.9.

Take doctors, for example. The Mutual Benefit Life man has a financial security plan for them. It fits no other group. But it does fit doctors because it has been developed with their special problems in mind.

DEEP SATISFACTION

The Mutual Benefit Life man derives deep satisfaction from his important role in the lives of so many. He has the tools to do a fine job—and he does it!

THE MUTUAL BENEFIT LIFE

INSURANCE COMPANY

ORGANIZED IN 1843 • 300 BROADWAY, NEWARK, NEW JERSEY



CLUMSY! JUST WHEN I'D SPENT THE MONEY SAVED BY NOT RENEWING OUR HOSPITALIZATION INSURANCE."

Sales Ideas and Suggestions

Views Estate Planning as Profession in Itself

By DONALD J. REAP

NEWARK — Life insurance is only a vehicle in estate planning, and to label insurance programming with the more comprehensive term will lead to conflict with the American Bar Assn., John D. Marsh, Lincoln National, Washington, and a trustee of National Assn. of Life Underwriters, told the Northern New Jersey Assn. of Life Underwriters at its March luncheon. The Newark C.L.U. chapter was host.

Estate planning is not a mere designation of beneficiaries and a prescribed



John D. Marsh

settlement agreement, he said. It is a complete analysis of all of a client's assets and liabilities plus their economic arrangement with proper regard to the objectives, personalities, taxes and economic conditions involved, to provide maximum advantage to the client and his family in the event of death, disability and old age. Estate planning, he declared, cannot be done without the help of the other professions.

Mr. Marsh believes that the estate planner is in the same position today as the title insurance companies were 50 years ago when they were in sharp conflict with attorneys. The time will come, he predicted, when estate planning as a profession will be recognized not strictly as a legal operation nor just creative planning but a special work necessitated by the complexity of our economic life in which the accountant,

lawyer, trust officer, government official and insurance agent willingly have their respective interests in the individual's affairs coordinated by the estate planner.

The agent's role in this new profession is vital, he declared, for he is in the unique position of being able to seek out, motivate and stimulate persons to recognize their problems without impugning his professional status. The other professions have not the opportunity the agent has to coordinate all the objectives that his client may have.

Profession Since 1941

Estate planning has really become a profession since 1941, Mr. Marsh said, when the tax laws made it necessary. At the same time estate planning became a "must" to a larger segment of the population. In 85% of all cases, life insurance is a necessary and important part of the estate planning problem, he said, adding that frequently it is the greatest asset in an estate and a very important factor in large or small estates.

He regards individuals whose net incomes exceed \$7,500 a year as prospects for an estate planning service.

The bulk of Mr. Marsh's talk consisted of a description of the operations of his unique organization in Washington.

The first thing an estate planner should do is prepare and plan his own estate, he recommended. He has found that the use of his own formally prepared and typed plan is a primary document for use in the solicitation of prospective clients. Mr. Marsh said that this "accomplishes a number of objectives — (1) motivates client by causing him unconsciously to compare his estate with mine; (2) instills confidence because of the visual evidence of my capacity and ability; (3) places us on a common financial footing; (4) stimulates client to furnish complete data later in the interview; (5) eliminates use of hypothetical cases and someone else's personal and confidential plan; (6) guarantees sincerity and carries conviction in my presentation."

One Hour Initial Discussion

The discussion of this program usually takes about an hour. Often it elicits inquiries from the prospect during the discussion as to whether he may have a plan like it.

The prospect then is told of the standard obligations required of prospects by the Marsh organization. These are: (1) Where life insurance is an appropriate part of the estate plan, the client must purchase it through the organization. (2) Where it is not, the client must personally introduce the representative to four friends whose financial position is superior to his own. (3) Where he desires to handle the placement of his own insurance, or where he desires the work done without regard to life insurance, the Marsh organization receives a flat fee for its services.

If, after those obligations are covered, he still wants to proceed, a detailed questionnaire is completed.

The agent secures all of the client's policies, a list of his securities, all deeds and trusts, wills, and any other legal documents including birth certificates, marriage certificates, divorce decrees and all other pertinent papers. An arrangement is then made for the client to be examined. Experience has shown that in 85% of the cases life insurance can be used effectively. Hence it is important to know whether it can be utilized in planning his particular case. The client is advised that he will be seen in from four to six weeks at which time the agency will need at least two to three hours of his undivided attention, at the agency office.

Within 24 hours after completion of the first interview a thank you letter,

individually typed on engraved stationery and personally signed is mailed to the prospective client. This letter reaffirms the prospective client's decision to place his confidence in the agency, emphasizes the quality of the operation, and tends to commit him to follow through on his individual responsibility in connection with preparation of the estate plan. When the plan is completed the client is telephoned and an appointment made. The client is again reminded that two or three hours will be required for the approaching interview.

When the completed estate plan is presented to the client, it is not a recommendation of what the agent thinks he should do, but a final draft of a plan which "we have made up our mind he is going to accept," said Mr. Marsh. In the back of the folder are letters addressed to all life companies, letters to secure family birth and marriage certificates and divorce decrees, and a letter of introduction to his attorney for preparation of his will, also letters to his banker and accountant (if they have not been met during preparation of the plan). One of the questions answered by the questionnaire is whether the wife should be in on the second interview. If so, she is present to minimize the possibility of procrastination or indecision. If he adopts the solution to his objectives, "all he has to do is sign the papers and give us a check for the life insurance involved," Mr. Marsh explained.

About 90% of the individuals who comply with the requirements of the first interview do business with the agency. The initial interview eliminates all the "duds." After this interview the individual's attorney is contacted and the plan is gone over in detail.

Value of Client's Attorney

"There are a number of real values in this interview with the client's attorney," Mr. Marsh pointed out. "First, it sells him on the qualifications of our organization. Secondly, it gets him some legal business which he might not have secured for himself. Third, it opens him up as a prospective client for us, and, fourth, it potentially establishes him as a center of influence, enabling us to contact his clients with whom we can repeat this process." To clients who do not have a will the agency gives a choice of three law firms with whom it maintains a working relationship. In any event, it sees that the client has a will and that his wife has a will, where needed, and that all legal problems are properly and objectively solved by someone other than the agency.

All documents are thoroughly analyzed and a copy made for the agency, and a third interview arranged. At this interview, a complete explanation of the finished estate plan is given to the client. He is also offered the opportunity to keep all of his policies, documents and non-negotiable securities in the agency's vault. A high percentage of clients use this service, which is without cost to them.

The agency is then finished with the client for the next two years except for a letter of recommendation giving the client's opinion of the quality and desirability of the service, and introductions to at least four of his friends.

Four Financial References

Incidentally, Mr. Marsh explained, at the time the original questionnaire is taken, the agency representative secures the names of four references in connection with the estate plan, informing the prospect that where life insurance is involved there will be an investigation and it will be better for him if he gives the names of friends to be contacted rather than strangers. After the plan has been signed and all final questions are answered, inquiry is made about the



Highlights of a most successful year!

(Facts from our 1950 Annual Report)

- Life insurance in force reached \$533,000,000 . . . a gain of \$50,000,000 insurance in force.
- Assets now over \$80,000,000 . . . a gain of over \$7,000,000 in assets.
- Construction of additional five-story home office building begun . . . to be completed Sept. '51.
- Accident and Health Department established for writing individual, family, and franchise hospitalization policies.
- Blanket Scholastic Accident Plan for school children and teachers underwritten by Group Division . . . over 275,000 currently insured.

Pilot Life Insurance Company

O. F. STAFFORD, President • GREENSBORO, NORTH CAROLINA

NATIONAL RESERVE LIFE

Topeka, Kansas

A few unusual opportunities open for liberal general agent franchises in states west of the Mississippi.

H. O. CHAPMAN, President

personal economic life of these four character references. In the majority of cases, said Mr. Marsh, the client gives a supplementary list of friends and business acquaintances. This procedure he identified as the lifeline of his method of operation. He emphasizes that the client feels he is sending someone to help his friends and not to help the agent.

Mr. Marsh's organization has a research department where all policies are analyzed, social security benefits computed, taxes calculated, retirement values and pension benefits of policies projected as well as the client's annual liability for death, disability and retirement benefits. From this department the figures are routed to the agent. If additional life insurance is required an application for it is prepared. In about 10% of the cases no more life insurance is needed and if so, the client's existing property is more effectively arranged if that can be done. All material then goes to the research department which prepares letters to the various home offices on settlement options desired for insurance and government benefits. The memo and applications then go to the office manager who orders inspection reports and other routine procedure started. An advance register date of 21 days is requested on the new life insurance. The research department drafts the estate plan based upon the prescription blank and the facts previously analyzed. Within 21 days it is completed and individually typed and placed in a leather binder which has the client's name stamped in gold on the cover. At the same time a leather wallet, similarly stamped is prepared. No legal documents are prepared anywhere in the office.

Two to Six Month Process

The estate plans are proofread and checked at various intervals during the three interview process which may extend from two to six months. Each plan is given a two year review. The organization assumes the responsibility for maintaining a current plan for each client. For example, when the social security law was changed, each client received a letter setting forth his position under the new law and integrating the benefits into his estate plan.

Mr. Marsh stressed that estate planning is not a device to sell life insurance and that a complete job must be done in every case regardless of the outlook for financial compensation. "One of the great faults of many of the so-called estate planning approaches," said Mr. Marsh, "is its use as a method of determining minimum requirements for the prospect and to prod or trap him into buying life insurance. Then, once the life insurance is sold, to 'kiss off' the many implied promises that were made about arranging the client's affairs."

Companies Must Make Own SS Determinations

(CONTINUED FROM PAGE 3)

followed by some life companies of permitting agents to use prepared forms of trust agreements in connection with settlements in favor of minor beneficiaries. He commented that regulations issued by the wage stabilization board and other government agencies in connection with the defense effort are of increasingly technical character and should be scrutinized by company counsel in all cases.

Hear Thompson at Nashville

"The cure for inflation tendencies is the practice of restraint on the part of people throughout the nation," John S. Thompson, president of Mutual Benefit Life, told Nashville General Agents & Managers Assn. Insisting that congress itself is guilty of creating inflation trends, Mr. Thompson cited as an instance recent expansion of social security coverage. He predicted "a very good" future for life insurance in spite of any and all government "intervention."

Agent of Future May Only Sell

(CONTINUED FROM PAGE 1)

significant change in the market the emergence of the so-called blue-collar class to a higher economic level. He commented, "the fact that these blue-collar workers are strongly organized, the fact that our people want, can produce and will consume more and more goods making for a higher and higher standard of living, all indicates that from the long-range point of view, this market will continue to expand. How to best meet the human needs and desires of this market remains a question which we have not squarely faced, much less satisfactorily begun to solve. This market has outgrown the so-called industrial life insurance field. The earnings in this market will average between \$4,000 and \$6,000 per individual. Earnings of \$8,000, \$10,000 or \$12,000 for skilled workmen or foremen are not uncommon.

"A reasonable case could be made out for the fact that this group of blue collar workers, because of newly achieved economic status, has not only been inadequately studied by life insurance companies, but has been to a great degree neglected by life insurance agents," according to the speaker.

Broader Spread of Income

Mr. Zimmerman said that while the ceiling on very high income has been lowered through taxation, it is immediately apparent that the floor has been raised under the earnings of a large segment of the population. There is a broader spread of income, on the whole, and much more real income than there was 10 years ago, even allowing for the decreased value of the dollar.

He stressed that management is still scarcely aware of its obligation to the communities in which the company operates. He contrasted the position in the community of the well-established general insurance agency with a well-established life insurance agency and concluded that the life insurance agency too often comes out second best. He indicated that the general insurance agency often becomes a real influence in community affairs as do the heads of this agency. "On the other hand, whereas individuals in many life insurance agencies have been outstanding leaders in community affairs, the life insurance agency as a business establishment has not established as sound a basis for itself in the community as has the general insurance agency. Nor has the community felt that the life insurance agency was really an integral part of the community. More often the feeling has been that the life insurance branch was simply a small appendage of a vast corporation in some far removed city."

Points Out Problems of Insuring Dental Care

Don't insure losses that occur frequently, the amount of which is small, such as perhaps the common cavity, George Kline, deputy New York insurance superintendent, told the council on dental health of the Dental Society of the State of New York at Syracuse. The council is seriously exploring the possibility of establishing a dental health service plan for prepaid insurance of dental care. Part of the three day meeting was devoted to investigating the insurance problems of such a project.

Mr. Kline delineated the insurance principles involved in any project of this kind. The law sets up certain standards with respect to rates for coverages. Such rates must be adequate and not unfairly discriminatory. No one has figures on the incidence of the need for dental care. The important question to consider is whether the need is insurable. He pointed out that it might cost more than \$5 for a health service plan to pay a \$5 charge for a cavity, which is uneconomic.

There must be an insurable interest,

he said. The event must be fortuitous and not controllable by insured; it must be both predictable and measurable. He noted that in England before the health service was established the citizens didn't go to the dentist "from fear of the bill, not fear of the drill." After the plan was set up, people waited in line to receive dental care.

To Hold Up IWO Conn. License

HARTFORD — Commissioner Allyn will hold up the license of International Workers Order, an alleged Communist organization insuring some 3,000 certificate holders in Connecticut, when the

May 1 renewal date arrives.

Mr. Allyn explained that his department is cooperating with the one in New York which has been investigating the organization for the past year. There is a case now in the New York courts involving the non-insurance activities of the order. Investigation has disclosed that the insurance fund itself is in sound condition.

Gulf Life held a dinner at Jacksonville for more than 500 employees. The company chorus of 50 voices sang. June Roberts was crowned Miss Gulf Life.



Are You Minding Your OWN Business?

If you're a good underwriter you're giving a lot of thought to your client's business, his family's welfare and their future security.

But — are you minding your OWN business? Are you thinking of your own permanent security too?

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A Complete Line of Policy Contracts

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Serving the South Since 1907. Insurance in force over \$400 million.

FRATERNALS

National Fraternal Congress Dates Set for Sept. 24-27

The annual convention of National Fraternal Congress has been set for Sept. 24-27 at the Morrison hotel, Chicago. The investment, youth counsellors and field managers associations will meet on Monday. Tuesday will be devoted to an all-section meeting as well as a meeting of the actuarial association. General sessions will be held the final two days, with the banquet scheduled for Wednesday evening.

Krohn to Wichita Post

W. C. Krohn, for the past 11 years with Aid Assn. for Lutherans at Holdrege, Neb., has been named general agent for Kansas and Oklahoma with headquarters at Wichita. He succeeds H. C. Wind of Winfield, recently retired. At Holdrege, Mr. Krohn was president of Central Nebraska Life Underwriters Assn.

W. Cable Jackson Resigns

W. Cable Jackson has resigned as superintendent of agents of Modern Woodmen of America. He will continue as a director.

Mr. Jackson has served as superintendent of agents, an appointive position, since 1943 and was named a director in 1944. Before going to Rock Island, he was state manager in Minnesota and had been associated with the organization since 1922. No successor has been named.

Wash. Congress Meets May 5

Washington Fraternal Congress will hold its annual meeting May 5 at Seattle. Einar N. Botten of Seattle is president.

Morning, afternoon and evening sessions and a banquet are scheduled. Governor Langlie and Commissioner Sullivan of Washington will be featured as speakers. A representative of National Fraternal Congress will also be on the program, as well as speakers from Portland, Ore., and a number from Seattle.

There are 27 societies which are members of the Washington congress.

MRS. MAGGIE HYDE, one of the pioneers of Woodmen Circle, died at her home at Dallas. She joined the society in 1898, becoming its vice-president in Texas in 1903 and its president there in 1905. In 1915 she was elected supreme attendant, serving in that position until she was elected supreme banker in 1925. She served as a member of the national advisory and legislative committees and in 1947 was named an honorary life member of the national convention.

State Farm Mich. Rally

About 200 representatives of the State Farm companies attended a state convention at Lansing, Mich. L. S. Kelehan, Iowa state director, and M. G. Fuller, executive vice-president of the life company, were featured speakers. In a panel discussion on "Multiple Line Production," four representatives led discussions of automobile, fire and life business and agency work as a career.

Admitted Assets \$47,662,225
Certificates in Force 154,724
in our
SIXTIETH YEAR
WOODMEN CIRCLE

Dora Alexander Talley, Pres.
Clara B. Cassidy, Secy.

NEWS OF LIFE ASSOCIATIONS

Managers Supply Quiz Panel for San Francisco Assn.

A quiz panel of managers featured the monthly luncheon of San Francisco Life Underwriters Assn. Participants were Arthur D. Hemphill, Equitable Society, chairman; Edward H. Diechhoff, Connecticut Mutual; Herbert H. Humber, Mutual Benefit; J. Denny Nelson, Aetna Life, and Harry N. Lyon, Fidelity Mutual.

Association members had submitted questions and the panel selected those having the most general appeal. The most popular inquiries concerned prospecting, inflation, closing, and referred leads.

Mr. Humber said prospecting is either a problem or a procedure. "Our men tell me that 75% to 90% of the success of a sale depends not on the agent's knowledge or skill but to the quality of a prospect. Referred leads are the choicest. Having rendered a quality service, you have the right to ask for a quality referred lead and your client has the responsibility to you and his friend of giving you that friend's name and making it easy for you to approach him with a phone call or letter."

Regarding inflation, Mr. Diechhoff advised explaining to the prospective buyer the replacement of earning power through death. He said this can be solved through use of a retirement income policy, life paid-up at age 65, ordinary life policy, or through term insurance. "If your prospect is interested in any of the plans, why talk about the other three?" he asked.

Mr. Lyon suggested five steps in closing. He advised that the salesman keep the word "close" in mind, and bring these ideas into play: Choice (of coverage), loss-profit (the solid merit of life insurance); option (policy fitted to needs of client); seek hidden objection (principally the amount of money to be spent), and emotional appeal.

Mr. Nelson summed up the questions, touched briefly on the use of direct mail, and gave an emotional story to illustrate how an appeal of this sort can surmount objections.

Five Speakers Shoot Sales Ideas to Cincinnati

CINCINNATI—Five practical talks on how to sell life insurance more effectively were presented at the annual sales congress of Cincinnati Assn. of Life Underwriters. Speakers were C. L. O'Quinn, Aetna Life, Laurel, Miss.; W. E. Gehman, New England Mutual, Philadelphia; W. W. Hartshorn, superintendent of agencies central territory, Metropolitan Life; C. Brainerd Metheny, Fidelity Mutual, Pittsburgh, and G. W. Isgrig, Reliance Life, Cincinnati.

The greatest job of the agent, according to Mr. O'Quinn, is to sell planned security, a substitute for the pay envelope to provide new income when regular income stops. Successful salesmen possess a sixth sense—an insight into people's problems and an ability to understand them, Mr. Gehman remarked. Pointing out that the average prospect is earning twice as much as he was 10 years ago and therefore should be saving twice as much, Mr. Gehman stressed that if he is not putting 10% to 15% of his income into life insurance, he is cheating his family.

Rules to insure an effective sales presentation were given by Mr. Hartshorn. These were: Think about the interview and know what you are going to say; talk in understandable terms; understand the prospect's problems and talk about things that interest him; put on a good show; answer objections courteously; appeal to the emotions—men buy because they are disturbed emotionally; try to close more than once; keep the door open so that you can go back—

start with a sale instead of ending with a sale.

The importance of learning a sales talk verbatim was stressed by Mr. Metheny. Mr. Isgrig urged agents to put on a "good show," adding they should "sell ideas, not policies."

1,500 Attend Ga. Caravan

More than 1,500 agents attended the All-Star Sales Caravan, sponsored by Georgia Assn. of Life Underwriters, which stopped at Atlanta, Macon, Augusta and Savannah. Roy Dial, Gulf Life, Albany, was chairman.

Speakers were Grant L. Hill, vice-president and superintendent of agencies Northwestern Mutual Life; Bobby Reece, district manager of Life & Casualty at Nashville; A. R. Jaqua, director Southern Methodist course, and Raymond C. Johnson, agency vice-president New York Life.

Northern Cal. Sales Caravan Speakers Are Announced

The northern California sales caravan, which will be jointly presented by the San Francisco and Oakland-East Bay Assns. of Life Underwriters, sponsored by the state association, will have as speakers: O. F. Brunkhorst, New York Life, Oakland, "Estate Conservation"; Lyford M. Morris, Prudential, San Francisco, "A New Man's Viewpoint"; Frank W. Bland, Pacific Coast manager of the National Underwriter Co., "As I See It," and Richard Swisher, Oakland attorney, "Relationship Between the Attorney and the Life Underwriter."

The schedule is: San Rafael, April 12; Stockton, April 13; Fresno, April 13; Sacramento, April 16; Chico, April 16; San Jose, April 18; Oakland, April 20, and San Francisco, May 20. Jack W. Boyd, president of the San Francisco association, will accompany the group and act as chairman.

Conduct Minn. Civic Project

The Minnesota Assn. of Life Underwriters is winding up its first state-wide civic project, the Heart Fund, which it took over with a goal of \$150,000. Robert E. Shay, Bankers Life of Iowa, general chairman of the campaign, reports that \$138,000 has been raised and he is hopeful the full quota will be reached.

This is claimed to be the first state-wide civic project ever undertaken by a life underwriters association. The state was intensively organized, with several hundred members taking part.

Day, Martin Added Speakers

J. Edward Day, director of Insurance of Illinois, speaking on "Your Insurance Department," and T. T. Martin, Mutual Life, Murfreesboro, Tenn., whose subject will be "Prospecting—The Life of Our Business," have been added to the card for the sales congress of Chicago Assn. of Life Underwriters at Hotel La Salle April 13.

Regional at Binghamton

The Binghamton association was host to a southern tier regional meeting of New York State Assn. of Life Underwriters.

David B. Fluegelman, Northwestern Mutual, New York, past president of the

state organization, appeared on a panel program, "Stump the Experts," along with Guy K. Crandall, trust officer of Marine Midland Trust Co., Binghamton; Urban S. Greene, Binghamton certified public accountant, and John S. Keane, Binghamton attorney.

Boston—There were more than 900 present at the New England sales conference.

St. Louis—Frederick M. Peirce, associate director of company relations of L. I. A. M. A., spoke Thursday. That night he addressed General Agents & Managers Assn. of St. Louis.

Quincy—At the March meeting the movie, "For Some Must Watch," was shown.

Lansing, Mich.—Despite inflationary tendencies of the times and other drawbacks, life insurance still must be considered a superior means for an individual to create an estate, Roe W. Walker, assistant director of agencies of Northwestern Mutual declared.

He said life salesmen must show the individual how he best can provide protection for his family or provide himself with an income in old age. The tax picture, he said, assists in convincing the prospect of the merits of life coverage as an investment.

Charleston, S. C.—Robert Malcolm, manager of the ordinary department for Liberty Life, outlined the L.U.T.C. course which he is teaching at the College of Charleston. The next meeting will be on April 20.

Lawrence, Kan.—A resolution was passed empowering Ray Wright, Provident Mutual, to report to the insurance commissioner that a number of agents in the community are misrepresenting their policies.

Davenport, Ia.—The New York Life film on program selling was shown after an introduction by Harry Mansfield, manager for New York Life.

Clinton, Ia.—R. Dennis Conner, general agent for Washington National, spoke on single need selling.

Chattanooga—E. E. Brown, Jr., has been elected president to succeed Harvey E. Bearden, who becomes chairman of the board. Alton R. Kemp was elected second vice president to succeed J. W. Bishop, Jr., who resigned because of added duties in his agency following the death of his father.

Erie, Pa.—The association has declared that two of the three main points in the present city employees pension plan are "completely unsound and cause undue drain of tax money."

The association said it endorses a pension plan for city employees "and wants to cooperate in making this plan financially sound."

Waco, Tex.—J. L. Anderson, American National, Corpus Christi, president of the Texas association, spoke on the work of the state association.

Austin, Tex.—John Sierra, Great Southern Life, Dallas, who has produced and paid for \$500,000 of life insurance in the past year, spoke on "The Formula for Success."

Phoenix—Members of the Arizona association saw a demonstration of the effective use of the telephone to obtain interviews by Philip Hack, Northwestern Mutual; Dell Brinton, New York Life, and Val Smellick, Business Men's Assurance. Richard Turpin, Prudential, acting as the prospect, offered resistance and made constructive comments. James M. Primrose, Mountain States Telephone & Telegraph Co., reviewed helpful techniques and procedures.

New Tenn. Deposit Schedule

NASHVILLE—A new schedule of deposits required for out-of-state insurers in Tennessee calls for \$200,000 for one type of insurance, \$350,000 for two types, and \$450,000 for three or more types.

PROTECTED HOME CIRCLE

SHARON, PA.

FOUNDED IN 1886

A Legal Reserve Fraternal Insurance Society

G. H. HADLEY, Supreme President L. D. LININGER, Supreme Secretary
SHARON, PA.

Franklin Field Men Serve as "President for a Week"



B. W. Friesen



Knox Wyatt



W. W. Chamberlin



Claude Freed



W. L. Stone



E. E. Biscamp

Franklin Life has embarked on its novel plan of having six outstanding field men each act as president for a week during the four months that President Charles E. Becker is away on a vacation celebrating his 30 years in life insurance work.

In his announcement to the field organization, Mr. Becker stated that four regional managers and two general agents or agents would earn the right to serve as president, sit in on executive discussions, committee meetings, agency councils, and to occupy and use the president's office suite—getting an over-all picture of the home office operation.

The four regional managers were selected on the basis of their all around managerial performance during the period from Jan. 1 to Feb. 28. The two representatives or general agents were qualified on the basis of production, persistency and cash premium collections during the same period. The idea created an unprecedented amount of interest throughout the Franklin field organization.

The first of the visiting presidents to take office, for the week of March 12, was Ben W. Friesen, regional manager for Washington and northern Idaho. This week it is State Manager Knox

Wyatt of Rome, Ga. Those to follow are Regional Manager W. W. Chamberlin, Jr., Montgomery, Ala., March 26-30; Regional Manager Claude Freed, Philadelphia, April 2-6; Wilbert L. Stone, Columbia, Mo., April 9-13; and General Agent Emmette E. Biscamp, Beaumont, Tex., April 16-20.

The term of the first three acting presidents occurs during the nation-wide sales campaign commemorating the company's 67th anniversary. The drive will reach its climax when late this month Franklin Life attains a long anticipated goal, a billion dollars of insurance in force.

Hancock District Agents to Vote on Union Affiliation

WASHINGTON—National labor relations board has ordered an election held within 30 days among 5,800 agents of John Hancock in 205 district offices who were represented by United Office & Professional Workers of America before its expulsion from CIO and its merger with two other former CIO affiliates into a new union.

A majority of the board found a question as to the agents' present choice of bargaining representative because of the "extreme confusion and uncertainty" resulting from the combination of expulsion and merger and the disaffiliation of local unions and members which followed these actions.

At the election, requested by Insurance & Allied Workers Organizing Committee of CIO, agents may vote for no union, or for their choice among three unions in selecting a representative for collective bargaining with Hancock on a nation-wide basis. The unions are IAWOC, UOPWA, and National Federation of Insurance Agents Council, AFL.

NLRB rejected contention of UOPWA that election was barred at this time by its contract with the company which expires June 15, but which provides for automatic renewal unless company or union serves notice of desire to change it at least 60 days before that date.

The CIO and AFL unions contended the contract should not bar election because (1) UOPWA was expelled by CIO, (2) a schism within UOPWA has caused confusion and doubt as to its representative status, and (3) that union ceased to exist as a separate bargaining agent because of its merger with two other former CIO unions into the Distributive, Processing, and Office Workers of America.

The majority noted that over half UOPWA membership active at time of expulsion from CIO has acted to disaffiliate from the union. Evidence at board hearings indicated some 2,600 of the 5,800 agents involved belong to locals or work in district offices that had taken action to disaffiliate from UOPWA and join CIO. About 1,480 agents work in offices never organized by the union or in which UOPWA "is admittedly defunct," the board reported.

Prudential has transferred Manager Frank C. Ulrich from district 7 to district 9 at Philadelphia. He is succeeded by George W. Floyd who has been ad-

vanced from staff manager of Philadelphia district 8. Mr. Ulrich joined the company's Philadelphia district 13 in 1933. He was made staff manager in 1936 and district manager in 1949. Mr. Floyd joined the company at Philadelphia in 1937.

Joint Meeting at L. A.

A joint meeting was held by Life Insurance Managers Assn. and Life Agency Supervisors Assn. of Los Angeles, with the supervisors furnishing the program. James Gessner, Penn Mutual, its president, reviewed briefly the aims of the supervisors' organization.

Robert Ringer, sales consultant, spoke on "Sales Work Tied into Life Insurance." He said that today three things are vital: Keep from overselling the

prospect; keep from underselling him, and throw the prospect off his guard—then he is sold. Of these three he held that throwing the prospect off his guard is the most important.

It was announced that the area meeting of life underwriters associations will be held at Los Angeles, May 17. The program will be based on the theme, "How It's Done in 1951." There will be two panels instead of individual speakers.

Two Advanced by Colonial

Miss Gertrude A. Schlachter has been appointed associate actuary of Colonial Life. Robert L. Baer, formerly director of sales plans and training, becomes assistant to the agency vice-president.

Miss Schlachter received her M. A. from Fordham in 1939 and joined the

actuarial department of Colonial that year. She was advanced to actuarial assistant in 1944, and to assistant actuary in 1947.

Mr. Baer started with Colonial at Pottstown in 1941, served as manager at Newark, Perth Amboy and Elizabeth, N. J., and went to the home office in 1946 as administrative assistant, being advanced to director of sales plans and training in 1949.

150 Gather at Eastern State Mutual Life Rally

About 150 persons from agencies throughout the east attended the first 1951 regional of State Mutual Life at Atlantic City. Robert H. Denny, vice-president and superintendent of agencies, extended greetings from the home office and congratulated agents on having made the past year the greatest in the company's history.

There were three panel discussions: "Finding Today's Buyer," "How I Use Direct Mail," and "Sales Clinchers." Talks were made by Maurice Dubofsky, Washington, D. C.; Donald E. Hannahs, Baltimore; George H. Clarke, Buffalo, and Frankland F. Stafford, New York City.

Speakers from the home office, in addition to Mr. Denny, were John P. Sedgwick, financial vice-president; Irving T. F. Ring, vice-president and general counsel; Dr. Carroll C. Beach, Jr., medical director; Alan R. Willson, assistant secretary group division, and Charles F. Harris, underwriting director. The banquet speaker was H. Ladd Plumley, vice-president and secretary of the group division.

A middle west regional is scheduled for April 23-24 at the Moraine hotel, Highland Park, Ill.

Moynahan at Hartford

HARTFORD—The present National Service life insurance law is wrong because it puts the government in a big position in the life insurance business, said John D. Moynahan, president of the National Assn. of Life Underwriters, told the Hartford association. He feels it is not a function of government to insure civilians, and that's what happens when veterans are allowed to carry their government insurance after returning to civilian life.

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Special opportunity in following states: Illinois, Indiana, Michigan, Ohio, Pennsylvania, and West Virginia

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THE OHIO STATE LIFE Insurance Company
COLUMBUS 15, OHIO

Quick sale packages plus the famous "Insured Savings" plan

Health & Accident

An Unusually Complete Line of Juvenile Policies

Substantial 1st Year Commissions

Up to 9 Years Vested Renewal Commissions

Aetna Moves Detroit Office

Aetna Life group has moved into new offices in the Guardian building, Detroit. The new quarters house the F. E. McMahon agency of Aetna Life, which serves eastern Michigan, and the Detroit office of Aetna Casualty, of which John F. Horton is manager.

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"Ad" Men Plan for Defense Economy

(CONTINUED FROM PAGE 1)

Benefit Life; and Earl R. Trangmar, Metropolitan Life. Association membership is 396 and represents 200 life companies, Mr. Taylor said.

Life companies must sell twice as much insurance in the next 10 years as they did in the last decade or a government enforced savings program will be the result, since the public must save because of defense economics and it is only a question of how it will do it, said Reginald T. Clough, editor of Tide, a news magazine for the advertising business.

To restore the pre-war ratio of life insurance in force to national income there should be 64% more of insurance in force now or \$146 billion of additional protection, he stated.

MARKET ANALYSIS

He expressed the view that companies are doing a good job in selling the upper and middle income brackets and the education groups but he wondered whether the same thing could be said about "sleepers" markets, such as the farmers, wage earners, Negroes, and women. He said, for example, that the wage earner has been covered by industrial and group insurance but that he has never been brought up to the status in the ordinary bracket to which he is entitled and which his disposable income suggests. The wage earner is a major factor in the automobile and television markets, he explained, asking why this is not also true of the ordinary life market.

He suggested also that companies re-examine their traditional markets among business men and the professions with the aim of doubling their pre-war coverage as some fire company advertisements have done.

Mr. Clough believes that companies are ahead of their competitors in the securities investment, real estate management, sales methods and agent training field and that they are behind only in their advertising procedures. He said that companies are spending but 0.27% of net premiums on advertising while automobile manufacturers, who are in direct competition with them for the consumer dollar, spend five times as much. Home appliance dealers spend

10 times as much and beverage companies 50 times as much, he said.

Life companies are doing a good over-all job in their advertising, he opined. What he suggests are deviations from the use of common themes and the selection of subjects that might interest some, if not all, of the public such as company investments in low cost housing, their ability to take huge amounts of the government bonds, and get a message across in that way.

Round table discussions were conducted the opening day on national advertising and public relations. Tuesday, the program included forums on agents' magazines, sales aids and direct mail.

Henry M. Kennedy, Prudential, chairman of the round table on national advertising, said his forum indicated that the public is security conscious but that results tend to prove the approach of national advertising on the basis of security alone does not bring the expected response because the public tends to be more concerned with effects than with causes.

The policyholder and public relations round table was presided over by A. H. Thiemann, New York Life, who substituted for Clifford B. Reeves, Mutual Life, whose plane was frozen in at Minneapolis. Members gathered around a collection of tables arranged in a huge oval to discuss their problems. The speakers included Lawrence W. McKee, Prudential; John A. Buckley, Guardian Life; Burton B. Brown, Home Life of New York; Mr. Berger; Mr. Trangmar; Evelyn Schuler, Penn Mutual; and Carl V. Cefola, Mutual Life. The discussion brought out that too few companies pay sufficient attention to the phrasing and form of their letters to the public and that best results will be achieved only through a combination of mechanics with humanics. The discussion included various suggestions for improving relations with policyholders, agents, and the national and local publics.

Companies which have seriously studied the subject of press relations have experienced a good measure of cooperation from editors, most of whom seem anxious to give their readers a better understanding of life insurance and its place in the economy.

Heading the forum on sales aids was Irene F. Morgan, National Life of Vermont. She was assisted by Kenneth L. Brooks, Prudential; Vernon V. Van Leuven, New York Life; Harvey Kesmodel, Jr., Sun Life of America; and Warren Bacon, New England Mutual.

After an effective sales aid has been prepared, the biggest problem is to get the field force to accept and use it. This involves considerable training of personnel, as well as active promotion of the aid itself. There was agreement that it is not only necessary to "sell" aids to agents, but it is equally important that those responsible for training agents be sold on sales aids by vir-



L.I.A.M.A. BOARD AND STAFF MEMBERS GATHERED AT THE SPRING CONFERENCE OF SMALL COMPANIES AT CHICAGO.

From left, Clyde J. Summerhays, vice-president and director of agencies Beneficial Life; Sam E. Miles, vice-president Provident Life & Accident; Travis Wallace, president Great American Reserve, and Lewis W. S. Chapman, director of company relations L.I.A.M.A.

tue of having used them successfully themselves.

Visual sales aids, it was brought out, help the agent to translate life insurance into tangible benefits for his prospect. Mr. Kieffer led the forum on agents' magazines. Participating were Gordon Hull, Mutual Benefit Life; Warren F. Reuber, Connecticut Mutual; Robert J. Walker, Mutual Life, and Alan F. Chab, American United Life.

An answer to the declining rate of return on direct mail programs was brought to light in this forum under the leadership of Charles R. Choquette, Aetna Life. He pointed out the extreme importance of careful name selection on a non-permanent basis, with proper use of gift items, and careful follow-up of the non-replier group.

Mr. Choquette's group included Alma Robertson, Sun Life of Canada; James P. Carr, Mutual Benefit Life; John E. Kenny, agency supervisor, Krebs agency, Aetna Life, New York City; and Reuel S. Kaighn, Phoenix Mutual Life.

Savings Bank Life Issue Is Compromised in Conn.

HARTFORD — A compromise between savings banks and insurance companies and agents prevented another public squabble over the proposed expansion of savings bank life insurance in Connecticut. Both sides in the perennial battle had stored up plenty of ammunition for another round, but they decided only a few hours before a hearing was to be held before the legislature's insurance committee that the resulting publicity would do both groups more harm than good.

They decided to continue the present \$3,000 limitation on the total savings bank life insurance any one person can hold, but to let any one bank issue up to that amount. Until now, each bank has been limited to \$1,000 on the life of one person.



Mrs. Marion Eberly, left, director women's division Institute of Life Insurance, pictured with Mrs. S. J. Hay and S. J. Hay, president of Great National Life, at the time of her talk at Dallas.



E. A. Frerichs, vice-president and agency manager, Security Mutual of Nebraska, chairman of L.I.A.M.A.'s small companies committee, and Burkett W. Huey, secretary of that committee, senior consultant of L.I.A.M.A., at the small companies spring conference at Chicago.



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THE HOME OF Complete PROTECTION

TO OUR POLICYOWNERS AND FRIENDS:

It is a real pleasure to report another year of record gains for B.M.A. The figures below clearly indicate that our Company is "growing and growing" and justifies the slogan "Every year a record year."

Of particular interest to the public is the fact that during 1950 payments were made to 93,612 policyowners or beneficiaries for a total sum amounting to \$11,895,228.89. That means an average of over 400 benefit payments made during every working day of the year. It also means that those payments contributed much to the personal security and happiness of many thousands of families and individuals.

To our Home Office, Branch Office and Field associates, as well as to our more than 600,000 policyowners and dependents, all of whom have contributed to the constant growth of our Company, we express our sincere thanks and pledge our continuous effort that B.M.A. service shall be even better in the months and years ahead.

J. C. Higdon
President

W. T. Grant
Chairman

Condensed Financial Statement

ASSETS

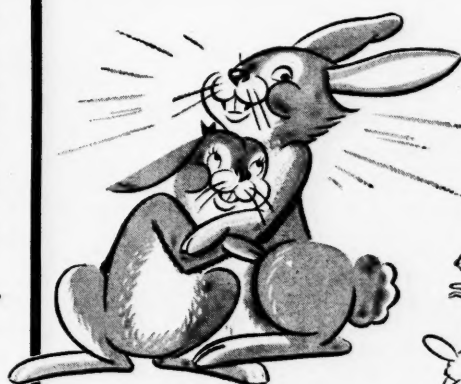
	December 31 1950	December 31 1949
U. S. Government and Other Bonds.....	\$33,071,526.40	\$30,362,065.75
First Mortgage Loans.....	44,831,345.52	39,419,926.49
Preferred Stocks.....	1,469,026.00	1,516,188.00
Real Estate, Including Home Office Bldg.....	672,168.06	706,692.95
Cash in Banks.....	1,831,376.75	2,187,580.61
Loans to Policyowners.....	4,847,431.00	4,165,370.42
Interest and Rents Due and Accrued.....	526,560.88	476,805.24
Premiums in Course of Collection.....	2,450,715.52	2,243,459.58
TOTAL	\$89,700,150.13	\$81,078,089.04

RESERVES AND SURPLUS

Reserve to Guarantee Policy Obligations.....	\$74,130,632.04	\$67,051,818.69
Reserve for Taxes.....	676,884.23	676,636.59
Reserve for Premiums and Interest Paid in Advance.....	3,789,347.54	3,991,008.46
Reserve for Miscellaneous Obligations.....	702,256.22	595,744.53
Special Fund for Strengthening Policy Reserves.....	3,350,000.00	2,750,000.00
Total	\$82,649,120.03	\$75,065,208.27

Surplus for Protection of Policyowners

Capital Stock.....	\$4,000,000.00	
Unassigned Surplus.....	3,051,030.10	
Total	7,051,030.10	6,012,880.77
TOTAL	\$89,700,150.13	\$81,078,089.04



is **GROWING**
and **GROWING**
and **GROWING**
every year a record year

Year	Life Insurance in Force	Accident and Health Premium Income	Total Income	Assets	Surplus to Policyowners	Payments to Policyowners and Beneficiaries Since Organization
1909 \$	None \$	9,197.70 \$	9,211.05 \$	5,687.79 \$	\$2,479.29 \$	722.46
1919	None	1,213,336.39	1,234,325.45	654,673.66	340,686.71	2,302,315.23
1929	87,041,307.00	4,024,980.49	6,408,320.24	6,564,460.63	1,181,848.61	20,559,573.10
1939	121,240,431.00	1,976,250.96	6,512,010.38	19,839,703.62	1,808,948.92	45,187,833.42
1949	412,737,625.00	11,574,448.64	26,938,196.49	81,078,089.04	6,012,880.77	99,894,728.03
1950	471,443,758.00	12,453,427.71	28,896,495.53	89,700,150.13	7,051,030.10	112,060,696.00

Offices in 60 principal cities located in
34 states, the District of Columbia and Hawaii.

BUSINESS MEN'S ASSURANCE COMPANY OF AMERICA

W. T. GRANT, Chairman

KANSAS CITY 10, MISSOURI

J. C. HIGDON, President

"One reason why some get better results with their life insurance"

A statement to everyone who is interested in a more productive life insurance program

by **H. W. MORRISON**

President, Morrison-Knudsen Company, Inc.

Internationally famous firm of construction engineers

"A RECENT report shows that nearly 80% of American families own life insurance.

"That is good news. But I wonder in how many of those families the life insurance program is really *up to date*.

"For full effectiveness, insurance plans cannot remain static. They must grow as we grow, change as circumstances change.

"Altered family relationships, increased taxes and costs, all are bound to affect them.

"The safeguard is *systematic review*—a simple rule of good business practice. In the construction field, for example, we know it is not enough to plan and build soundly. It is also important to inspect, or "review" the structure periodically in order to be sure it continues to serve most efficiently.

"My advice to families is to look over their life insurance with a well-trained agent at least every two years. It is one way to be sure at all times that a program is ready to do exactly what is expected of it."

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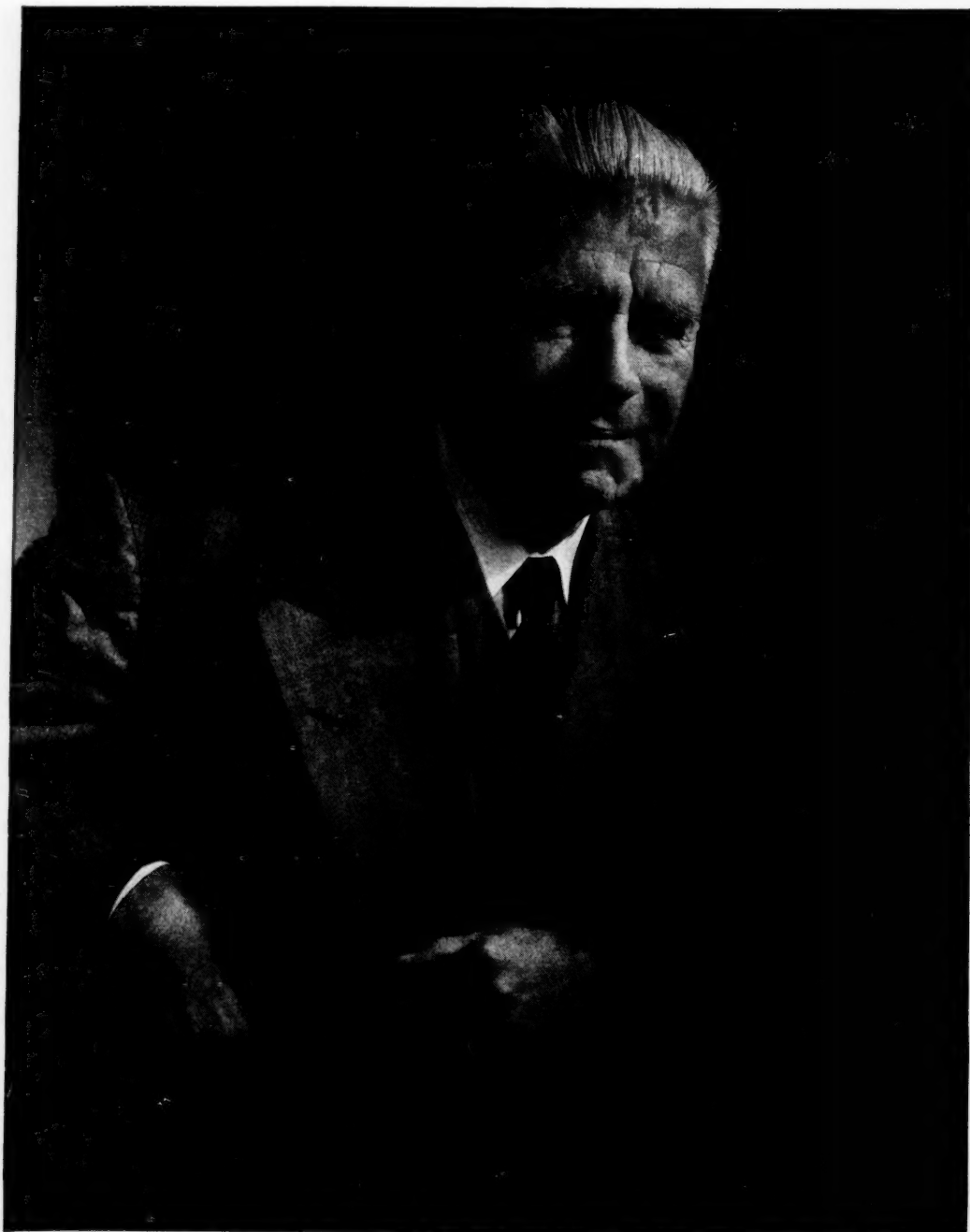
HOW THE NORTHWESTERN MUTUAL AGENT PREPARES TO SOLVE YOUR PROBLEMS

BY CHARACTER, ability, and training, Northwestern Mutual agents are well qualified. Many—a greater proportion than in any other company—have earned the designation of Chartered Life Underwriter.

Why have such men chosen to represent Northwestern Mutual? This company has over 90 years' experience. It is one of the six largest. It accepts applications only through its own agents.

And so important are the advantages to policyholders, including low net cost, that nearly half the new life insurance issued by this company goes to those who are already policyholders.

For a thorough review of your life insurance program, call upon a Northwestern Mutual agent.



A NORTHWESTERN MUTUAL POLICYHOLDER. Mr. Morrison started his life insurance program with this company 27 years ago.

KARSH, OTTAWA

The NORTHWESTERN MUTUAL *Life Insurance Company*

MILWAUKEE, WISCONSIN

APPEARING IN: SATURDAY EVENING POST, MAR. 24; TIME, APR. 9; NEWSWEEK, APR. 23